

any other form of processing taxes on bread and other everyday indispensable necessities of life; to the Committee on Ways and Means.

6450. By Mr. **HARTER** of New York: Petition of various citizens of the United States of Polish origin requesting aid for the stricken people of Poland; to the Committee on Foreign Affairs.

6451. By Mr. **MARTIN J. KENNEDY**: Petition of the Central Trades and Labor Council, New York City, to reinstate and reestablish the prevailing rate of wage on Work Projects Administration projects by amending the emergency relief law so as to provide therefor; to the Committee on Appropriations.

6452. Also, petition of the Central Trades and Labor Council, New York City, to provide generously for Federal aid and reestablish the prevailing rate of wage on Work Projects and similar types of construction, and to the end that employment may be created, essential facilities afforded to our people in their various communities, and that there be added to our national wealth and possessions such valuable permanent improvements as will result through a Public Works Administration program; to the Committee on Appropriations.

6453. By Mr. **KEOGH**: Petition of the Syracuse Production Credit Association, Syracuse, N. Y., stating that the interest of farm credit can be served by either returning the Farm Credit Administration to its original independent status or to some independent governing board; to the Committee on Agriculture.

6454. Also, petition of the Williamsburgh Manufacturers and Merchants Association of Brooklyn, N. Y., favoring legislation that will prohibit the further expansion, and if possible curtail the importation of refined sugar made in tropical islands for our markets, and thereby protect the jobs of American men and women of Brooklyn, N. Y.; to the Committee on Foreign Affairs.

6455. Also, petition of the Ohio Chamber of Commerce, Columbus, Ohio, concerning the Logan-Walter administrative bill (H. R. 6324); to the Committee on the Judiciary.

6456. By Mr. **KNUTSON**: Petition of V. O. Titrud and A. E. Holmberg, of Cokato, Minn., and sundry others; to the Committee on Ways and Means.

6457. By Mr. **LECOMPTE**: Petition of sundry citizens of Oskaloosa, Iowa, in the interest of the Federal chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6458. Also, petition of citizens of Ottumwa, Iowa, in the interest of the chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6459. By Mr. **MERRITT**: Resolution of the Williamsburgh Manufacturers and Merchants Association of Brooklyn, N. Y., urging upon Congress the necessity of enacting at this session legislation that will prohibit the further expansion, and if possible curtail the importation, of refined sugar made in the tropical islands for our markets, and thereby protect the jobs of American men and women of Brooklyn, N. Y.; to the Committee on Foreign Affairs.

6460. Also, resolution of the National Association of Letter Carriers, Branch 294, Flushing, N. Y., requesting Congress to give favorable consideration to House bill 2569, Rogers court of appeals bill, or any other court of appeals bill; to the Committee on the Civil Service.

6461. By Mr. **PFEIFER**: Petition of the Central Trades and Labor Council of Greater New York and Vicinity, favoring the reestablishment of the prevailing rate of wage on Work Projects Administration projects by amending the emergency relief law so as to provide therefor; to the Committee on Appropriations.

6462. Also, petition of the League to Aid Korean Volunteers in China, concerning the placing of an embargo on the exportation of all war materials to Japan; to the Committee on Foreign Affairs.

6463. Also, petition of the Central Trades and Labor Council of Greater New York and Vicinity, to provide generously for Federal aid and assistance in the financing of public work, housing projects, and similar types of construction; to the Committee on Banking and Currency.

6464. Also, petition of the Manufacturers Retail Bakers Association of the Eastern States, opposing the imposition and collection of a processing tax on wheat; to the Committee on Ways and Means.

6465. Also, petition of the Zeidler Democratic Club, Masspeth, N. Y., concerning the enactment, at the present session, legislation that will prohibit the further expansion and if possible curtail the importation of refined sugar made in tropical islands for our markets and thereby protect the jobs of American men and women of Brooklyn, N. Y.; to the Committee on Foreign Affairs.

6466. Also, petition of the New York State League of Savings and Loan Associations, New York City, concerning the passage of House bill 6971; to the Committee on Banking and Currency.

6467. Also, petition of the Archer-Daniels-Midland Co., New York City, concerning the Dirksen bill (H. R. 7696); to the Committee on Agriculture.

6468. By Mr. **TALLE**: Petition of Mrs. K. A. Brunsvold and Miss Ida L. O. Hanson, of Northwood, Iowa, urging that Congress immediately give financial aid to Finland; to the Committee on Foreign Affairs.

6469. By the **SPEAKER**: Petition of the Society Aland, Inc., 138 East One Hundred and Forty-ninth Street, New York, petitioning consideration of their resolution with reference to Finnish relief; to the Committee on Foreign Affairs.

6470. By Mr. **SUTPHIN**: Petition of the United Polish Societies of Irvington, N. J., requesting that the President urge the Governments of the Union of Soviet Socialist Republics and Germany to open channels for outside relief of food, clothing, and medicine for the distressed population of all creeds and races in the occupied areas of Poland; to the Committee on Foreign Affairs.

6471. By Mr. **VAN ZANDT**: Petition of the Council of the City of Altoona, Pa., opposing the St. Lawrence waterway project in view of the staggering Budget that has just been presented to Congress and the resultant decrease in employment in the rail and bituminous coal industries in Pennsylvania; to the Committee on Interstate and Foreign Commerce.

6472. By Mr. **WELCH**: Senate joint resolution passed by the California State Legislature, relative to memorializing Congress to take action in respect to the existing emergency in the Tulalake district; to the Committee on Flood Control.

SENATE

TUESDAY, FEBRUARY 13, 1940

(Legislative day of Wednesday, February 7, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z^cBarney T. Phillips, D. D., offered the following prayer:

O merciful God and Heavenly Father, whose love to us is long suffering and infinitely tender: Direct our minds beyond all vain imaginings, all barriers of fear to the abiding reality of Thy presence, where falsehood, sin, and cowardice disappear. It may be that we know not what we ask, but dare we ask for less? If we have sought to serve our country relying solely on ourselves, if we have tried to slake our thirst at broken cisterns or veil the naked flame that burns within, teach us in this moment of self-examination that if we seek to know the mysteries of life we must ask for fortitude to bear the truth. Direct us to the blessed Christ that, realizing His utter sacrifice, His broken heart, we may learn to walk His way, think His thoughts, and speak with His authority, striving by word and deed to shape the destiny of the Nation and all the nations of the world, according to Thy purpose, through Him who gave His life for all mankind. We ask it in His name and for His sake. Amen.

THE JOURNAL

On request of Mr. **BARKLEY**, and by unanimous consent, the reading of the Journal of the proceedings of the calendar

day, Friday, February 9, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On February 6, 1940:

S. 1820. An act to provide for the transfer of certain land owned by the United States to the State of Texas; and certain other land to the county of Galveston, Tex.

On February 9, 1940:

S. 323. An act for the relief of E. C. Beaver.

On February 12, 1940:

S. 766. An act for the relief of the Missoula Brewing Co.; and

S. 1157. An act for the relief of Roy D. Cook, a minor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 186) to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendments to the bill (S. 1955) to authorize the Secretary of Agriculture to delegate certain regulatory functions, and to create the position of Second Assistant Secretary of Agriculture, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES of Texas, Mr. FULMER, and Mr. HOPE were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 960. An act extending the classified executive civil service of the United States; and

H. R. 8237. An act to amend the District of Columbia Revenue Act of 1939.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	George	Lee	Russell
Andrews	Gerry	Lodge	Schwartz
Ashurst	Gibson	Lundeen	Schwellenbach
Austin	Gillette	McCarran	Sheppard
Bankhead	Glass	McKellar	Shipstead
Barbour	Green	McNary	Smathers
Barkley	Guffey	Maloney	Smith
Bilbo	Gurney	Mead	Stewart
Brown	Hale	Miller	Taft
Bulow	Harrison	Minton	Thomas, Idaho
Byrnes	Hatch	Murray	Thomas, Okla.
Capper	Hayden	Neely	Thomas, Utah
Chandler	Herring	Norris	Townsend
Chavez	Hill	O'Mahoney	Tydings
Clark, Idaho	Holt	Overton	Van Nuys
Clark, Mo.	Hughes	Pepper	Wagner
Connally	Johnson, Calif.	Pittman	Walsh
Danaher	Johnson, Colo.	Radcliffe	Wheeler
Davis	King	Reed	White
Frazier	La Follette	Reynolds	Wiley

Mr. MINTON. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Nebraska [Mr. BURKE], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness.

The Senator from Ohio [Mr. DONAHEY] is unavoidably detained.

The Senator from Louisiana [Mr. ELLENDER] and the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY] are detained on important public business.

Mr. McNARY. I announce that my colleague the Senator from Oregon [Mr. HOLMAN] is absent because of illness.

I also announce the unavoidable absence of the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. NYE], and the junior Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

OCEAN TRANSPORTATION OF AUTOMOBILES—FOREIGN SERVICE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the accompanying draft of proposed legislation designed to permit, where ocean transportation is necessary and subject to certain other limitations, the transportation at Government expense of personally owned automobiles by certain officers of the Foreign Service of the United States.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 13, 1940.

[Enclosures: 1. Report of the Secretary of State. 2. Draft of proposed bill.]

INDEPENDENT OFFICES APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 7922) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1941, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GLASS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. ADAMS, Mr. MCCARRAN, Mr. HALE, and Mr. TOWNSEND conferees on the part of the Senate.

ACTIVITIES AND ACCOUNTING PRACTICES, UNITED FOUNDERS CORPORATION GROUP

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, sections 2 and 3 of chapter VI of part 3 of the Commission's over-all report on the study of investment trusts and companies—description of the activities of the United Founders Corporation group and accounting practices of the same group of investment companies, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of New York, which was referred to the Committee on Civil Service:

Whereas the problem of the unemployed middle-aged worker has been steadily increasing in severity during the past 10 years; and

Whereas the Legislature of the State of New York, recognizing the severity of said problem, has created by resolution a joint legislative committee to study the problem and suggest methods of its solution; and

Whereas it was immediately recognized that government itself was one of the major offenders in the matter of discrimination against the middle-aged worker, and that the State of New York might profitably set an example to industry to follow; and

Whereas in 1938 the committee recommended and caused to be introduced and passed a bill restricting the State civil-service commission and the various municipal civil-service commissions within the State in this regard, prohibiting the placing of arbitrary age limits as eligibility requirements for certain civil-service positions; and

Whereas not only the committee but industry, labor, and those connected with the civil service have hailed the salutary effect of this legislative restriction and have pointed out the progressive record of New York State in this regard compared to the regulations of the Federal Civil Service Commission; Therefore be it

Resolved (if the senate concur). That the Congress of the United States be, and hereby is, respectfully memorialized to enact similar legislation without delay, to the end that discrimination against

older persons in the Federal civil service be abolished, and that the work of public and private agencies in behalf of the middle-aged worker be enhanced by the good example set by the Federal Government; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, Secretary of United States Senate, Clerk of the House of Representatives, and to each member of the Senate and House Committees of the Civil Service, and that they be urged to use their best efforts to accomplish the purpose of this resolution.

The VICE PRESIDENT also laid before the Senate resolutions adopted by a mass meeting held at Chicago, Ill., under the auspices of the Polish American Council of the United States, favoring necessary appropriations to aid the people of Poland suffering as a result of the Polish invasion by the armies of Germany and Soviet Russia, which were referred to the Committee on Appropriations.

He also laid before the Senate the petition of the Civic Forum of Warwick, R. I., praying for the adoption of the stamp plan to buy clothing for the State of Rhode Island, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by the Central Labor Union of Jacksonville, Fla.; the Tri-Cities Central Labor Union of Muscle Shoals and Vicinity, Alabama; the Building and Construction Trades Council, and Union No. 901, Brotherhood of Painters, Decorators, and Paperhangers of America, both of Monroe, La., favoring the enactment of legislation to provide for the construction and completion of the Florida Ship Canal, which were referred to the Committee on Commerce.

He also laid before the Senate a resolution of the United Fishermen's Union of the Pacific, of San Pedro, Calif., favoring an increase by \$350,000 in the appropriation for the so-called La Follette Civil Liberties Committee so as further to investigate the question of civil liberties on the Pacific coast, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a letter from the chairman of Lavanburg-Corner House Chapter, U. O. P. W. A. (C. I. O.), of New York City, N. Y., endorsing the aims and principles of the American Youth Congress of 1940, recently convened in the city of Washington, D. C., which was referred to the Committee on Education and Labor.

He also laid before the Senate the petition of several children of St. Francis Orphanage, Reading, Pa., praying that relief be granted to homeless and helpless European children on account of the disasters of war, and that such children be transported to America for the purpose of aiding and helping them, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the Council of the City of Chicago, Ill., favoring the enactment of pending antilynching legislation, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution of the Federation of Women's Clubs of Scotts Bluff County, Nebr., favoring the adoption of the so-called equal-rights amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by Local Union No. 7237, United Mine Workers of America, of Jewell Valley, Va., favoring the calling of a national conference of labor, industry, agriculture, and Government to work out a plan to relieve unemployment, which was referred to the Special Committee to Investigate Unemployment and Relief.

He also laid before the Senate resolutions of the National Farm Loan Associations of Canton and Turkey, both in the State of Texas, favoring the restoration of the Farm Credit Administration to the status of an independent bureau and the placing of the operations of the Federal land banks, National farm-loan associations, and other units of the Administration under the supervision of a bipartisan board appointed by the President, by and with the advice and consent of the Senate, which were referred to the Select Committee on Government Organization.

He also laid before the Senate a resolution adopted by the Aland Sick Benefit Society, at Vasa Castle Hall, New York

City, N. Y., extending thanks to the Government, the American Red Cross, the American press, former President Hoover, and all workers for Finnish civilian relief, for the sympathy and material aid rendered to the Republic of Finland and the Finnish people, which was ordered to lie on the table.

Mr. GIBSON. Mr. President, I have before me and now present petitions signed by 1,800 employees of the United States Government, asking consideration for Senate bill 540, which provides that civil-service employees, after serving 30 years, may apply for voluntary retirement, and request that these petitions be received and referred to the Committee on Civil Service.

The VICE PRESIDENT. Without objection, the petitions presented by the Senator from Vermont will be received and referred to the Committee on Civil Service.

Mr. CAPPER presented a petition signed by sundry members of the Presbyterian Church of Humboldt, Kans., praying for the enactment of legislation to provide an embargo on the shipment of munitions of war to China, which was referred to the Committee on Foreign Relations.

Mr. HOLT presented a resolution adopted by the West Virginia Bakers' Association, protesting against the enactment of the bill (S. 2395) to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in wheat, providing for the orderly marketing of wheat at fair prices in interstate and foreign commerce, insuring to wheat producers a parity income from wheat based upon parity price or cost of production, whichever is the higher, and for other purposes, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Regional Sportsmen's Meeting held at Morgantown, W. Va., and representing the counties of Hancock, Marshall, Monongalia, Gilmer, Preston, Ohio, Harrison, Doddridge, Brooke, Taylor, Lewis, and Marion, in the State of West Virginia, favoring the enactment of the so-called Mundt conservation bill, or similar legislation, providing it be acceptable to the Izaak Walton League of America, and opposing the enactment of so-called antipollution legislation, which was referred to the Committee on Agriculture and Forestry.

Mr. REED presented a petition of 200 citizens of the State of Kansas, praying for the enactment of the so-called Patman anti-chain-store bill, which was referred to the Committee on Finance.

He also presented the memorial of Rev. A. A. VanSickle, pastor of the North Ottawa Baptist Church, Ottawa, Kans., and 33 members of his congregation, remonstrating against the sale of munitions of war to Japan for use in the Japanese invasion of China, which was referred to the Committee on Foreign Relations.

Mr. WILEY. Mr. President, I present for appropriate reference a petition numerous signed by citizens of Manitowoc, Wis., praying for an adequate appropriation for vocational rehabilitation. I ask that the body of the petition may be printed in the RECORD.

There being no objection, the petition was referred to the Committee on Education and Labor, and the body thereof was ordered to be printed in the RECORD, as follows:

In the interest of the humanitarian work and motives of the governmental agencies engaged in the rehabilitation of the physically disabled, we wish to urge your support in the restoration of the full appropriation for vocational rehabilitation as recommended by the United States Office of Education.

Wisconsin has pioneered in work for the physically handicapped, and it is reflected in a going program in our community.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3038) to provide for the advancement of John L. Hines on the retired list of the Army, reported it without amendment and submitted a report (No. 1195) thereon.

Mr. HATCH, from the Committee on Irrigation and Reclamation, to which was referred the bill (H. R. 3391) providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles, reported it without amendment and submitted a report (No. 1196) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3227. A bill to enable the Secretary of Agriculture, in cooperation with official State agencies, to prevent the dissemination of pullorum and other diseases of poultry, and to improve poultry, poultry products, and hatcheries, and for other purposes (Rept. No. 1197);

H. R. 112. A bill to facilitate control of soil erosion and flood damage on lands within the Ozark and Ouachita National Forests in Arkansas (Rept. No. 1198);

H. R. 169. A bill to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif. (Rept. No. 1199); and

H. R. 2009. A bill to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Angeles National Forest, Calif. (Rept. No. 1200).

Mr. SMITH also, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 3226. A bill to facilitate and simplify national-forest administration (Rept. No. 1201); and

H. R. 2417. A bill to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior of boundaries of the Sequoia National Forest, Calif. (Rept. No. 1202).

Mr. O'MAHONEY, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3136) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws; reported it with an amendment and submitted a report (No. 1204) thereon.

CONSERVATION OF WILDLIFE RESOURCES (REPT. NO. 1203)

Mr. PITTMAN, from the Special Committee on Conservation of Wildlife Resources, pursuant to Senate Resolution 246 (71st Cong., 2d sess.), providing for the appointment of a special committee to investigate matters pertaining to the replacement and conservation of wild-animal life, submitted a report, which was ordered to be printed, with illustrations.

ENROLLED BILLS PRESENTED

Mr. REED (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On February 8, 1940:

S. 1157. An act for the relief of the legal guardian of Roy D. Cook, a minor.

On February 9, 1940:

S. 2624. An act to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GREEN:

S. 3334. A bill to amend the Federal Corrupt Practices Act, 1925; to the Committee on Privileges and Elections.

By Mr. SCHWELLENBACH:

S. 3335. A bill for the relief of Adolph G. Anderson; to the Committee on Claims.

S. 3336. A bill extending the provisions of an act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," to R. D. McRae; to the Committee on Civil Service.

By Mr. PEPPER:

S. 3337. A bill for the relief of the Lewis State Bank of Tallahassee, Fla.; to the Committee on Claims.

S. 3338. A bill for the relief of Alice C. Wainwright; to the Committee on Foreign Relations.

By Mr. SHEPPARD:

S. 3339. A bill for the relief of John C. Crossman; to the Committee on Claims.

By Mr. LEE:

S. 3340. A bill to provide for a 10-year program of Federal assistance to the States in providing public-school buildings and equipment determined by surveys and studies to be needed; to the Committee on Education and Labor.

By Mr. DAVIS:

S. 3341. A bill further extending the times for commencing and completing the construction of a bridge across the Delaware River between Barryville, N. Y., and Shohola, Pa.; and

S. 3342. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at a point near Wyalusing, between Terry and Wyalusing Townships, in the county of Bradford, and in the Commonwealth of Pennsylvania; to the Committee on Commerce.

By Mr. MEAD:

S. 3343. A bill to amend section 13b of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

S. 3344. A bill for the relief of Baboo Ram Teree; to the Committee on Immigration.

S. 3345. A bill to amend the service-pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition to include certain continuous service; to the Committee on Pensions.

S. 3346. A bill to require the filling of all vacancies in the position of assistant postmaster in first- and second-class post offices; to the Committee on Post Offices and Post Roads.

S. 3347. A bill to promote industrial prosperity, to increase industrial employment, and to develop and conserve the natural resources by aiding and promoting research in the engineering experiment stations connected with colleges and schools of engineering in the several State and Territorial universities and colleges, and for other purposes; to the Committee on Education and Labor.

By Mr. THOMAS of Oklahoma:

S. 3348 (by request). A bill relating to adoption of minors by Indians; to the Committee on Indian Affairs.

By Mr. GERRY:

S. 3349. A bill for the relief of Charles E. Wilson; to the Committee on Military Affairs.

By Mr. McCARRAN:

S. 3350. A bill to amend the act entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes," approved March 31, 1933; to the Committee on Education and Labor.

By Mr. REYNOLDS:

S. 3351. A bill for the relief of I. M. Cooke, J. J. Allen, and the Radiator Specialty Co.; to the Committee on Claims.

By Mr. SHIPSTEAD:

S. 3352. A bill to amend the act of August 27, 1935 (49 Stat. 2194), and for other purposes; and

S. 3353. A bill for expenditure of funds for cooperation with the public-school board of school district No. 5 at Onigum and Walker, Minn., for the construction, extension, equipment, and improvement of public-school facilities to be available to all Indian children in the district; to the Committee on Indian Affairs.

By Mr. GEORGE:

S. 3354. A bill for the relief of Nannie E. Teal; to the Committee on Claims.

By Mr. GILLETTE:

S. 3355. A bill to extend the times for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., and to amend the act of July 18, 1939, and for other purposes; to the Committee on Commerce.

(Mr. SMATHERS introduced S. J. Res. 209, which was referred to the Committee on the Library, and appears under a separate heading.)

By Mr. PITTMAN:

S. J. Res. 210. Joint resolution authorizing William Bowie, captain (retired), United States Coast and Geodetic Survey, Department of Commerce, to accept and wear the decoration of the Cross of Grand Officer of the Order of St. Sava, bestowed by the Government of Yugoslavia; to the Committee on Foreign Relations.

NATIONAL INVENTORS' DAY

Mr. SMATHERS. Mr. President, I ask unanimous consent at this time to introduce a joint resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. SMATHERS. Mr. President, on the joint resolution I should like to say that last Sunday, February 11, was the birthday anniversary of one of New Jersey's most distinguished, most useful, most outstanding citizens—one of America's great contributions to the world, Thomas A. Edison.

The inventive genius of this truly great man of yesterday contributes so much to the health, the happiness, the convenience, and the general welfare of mankind of today, that I think it only fitting and proper that the Congress of the Nation acknowledge the gratitude of humanity to this great American by adopting a joint resolution declaring his birthday, February 11, as National Inventors' Day.

Mr. President, I send such a resolution to the desk, with the request that it be read and referred to the proper committee.

The VICE PRESIDENT. Without objection, the joint resolution will be read and referred to the Committee on the Library.

The joint resolution (S. J. Res. 209) providing for the observance of National Inventors' Day, was read the first time by its title, the second time at length, and referred to the Committee on the Library, as follows:

Whereas February 11 is the birth date of Thomas A. Edison, the Nation's greatest inventive genius; and

Whereas the Nation owes a debt of gratitude to Mr. Edison and other inventors whose works have improved progress and civilization; and

Whereas the United States should encourage not only American inventive genius as expressed by the research scientists, inventors, and engineers of today, but of the future, as we march on the road to further accomplishments in science, industry, business, and commerce: Therefore be it

Resolved, etc., That February 11 of each year be designated and observed as National Inventors' Day.

Sec. 2. That the Postmaster General is requested, not later than 1941, to issue a special National Inventors' Day postage stamp and to place this stamp on sale February 11 of each year and during the ensuing week.

Sec. 3. That the President of the United States is requested each year, at a reasonable time before National Inventors' Day, to issue a proclamation asking the people of the Nation to properly observe the National Inventors' Day.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 960. An act extending the classified executive civil service of the United States; to the Committee on Civil Service.

H. R. 8237. An act to amend the District of Columbia Revenue Act of 1939; to the Committee on the District of Columbia.

CHANGES OF REFERENCE

On motion by Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the following bills, and they were referred as indicated below:

S. 559. A bill to provide for the re-enrollment on the emergency officers' retired lists of certain officers of the Army, Navy, and Marine Corps; to the Committee on Finance.

S. 613. A bill for the relief of Frank A. Smith; to the Committee on Claims.

AMENDMENT OF RAILROAD RETIREMENT ACT—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 3160) to amend section 1 (b) of the Railroad Retirement Act of 1937, which was referred to the Committee on Interstate Commerce and ordered to be printed.

AMENDMENTS TO RIVER AND HARBOR AUTHORIZATION BILL

FRIDAY HARBOR, WASH.

Mr. SCHWELLENBACH submitted an amendment intended to be proposed by him to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

MIDDLE RIVER AND DARK HEAD CREEK, MD.

Mr. TYDINGS submitted an amendment intended to be proposed by him to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

COMMITTEE ON CONSERVATION OF WILDLIFE RESOURCES

Mr. PITTMAN submitted the following resolution, Senate Resolution 236, which was referred to the Committee on Rules:

Resolved, That the Special Committee on the Conservation of Wildlife Resources, established pursuant to Senate Resolution 246, Seventy-first Congress, second session, be and the same is hereby established as a standing committee on the Conservation of Wildlife Resources.

ADDRESS OF THE PRESIDENT TO AMERICAN YOUTH CONGRESS

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by the President of the United States to the National Citizenship Institute of the American Youth Congress at Washington, D. C., February 10, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR BYRNES ON GOVERNMENT EXPENDITURES AND THE BUDGET

[Mr. LEE asked and obtained leave to have printed in the RECORD a radio address delivered by Senator BYRNES on February 11, 1940, which appears in the Appendix.]

LINCOLN'S BIRTHDAY ADDRESS BY SENATOR VANDENBERG

[Mr. McNARY asked and obtained leave to have printed in the RECORD an address delivered at St. Paul, Minn., on February 10, 1940, before a Republican rally, celebrating the anniversary of Lincoln's birth, which appears in the Appendix.]

LINCOLN'S BIRTHDAY ADDRESS BY SENATOR LODGE

[Mr. McNARY asked and obtained leave to have printed in the RECORD an address delivered by Senator LODGE on February 12, 1940, at Brooklyn, N. Y., before the Associated Republican Clubs of Kings County, which appears in the Appendix.]

ADDRESS BY SENATOR MEAD ON LEGISLATIVE PROGRAM OF AMERICAN LEGION, ETC.

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address delivered by him on February 10, 1940, relative to the legislative program of the American Legion and the American Legion Auxiliary, which appears in the Appendix.]

ADDRESS BY ATTORNEY GENERAL JACKSON BEFORE AMERICAN YOUTH CONGRESS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address delivered by Hon. Robert H. Jackson, Attorney General of the United States, before the American Youth Congress in Washington, D. C., February 9, 1940, which appears in the Appendix.]

ADDRESS BY ATTORNEY GENERAL JACKSON AT BUFFALO, N. Y.

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address delivered by Hon. Robert H. Jackson, Attorney General of the United States, at Buffalo, N. Y., on the subject Should the New Deal Policies be Continued? which appears in the Appendix.]

ADDRESS BY PAUL V. McNUTT BEFORE NATIONAL AUTOMOBILE DEALERS' ASSOCIATION

[Mr. VAN NUYS asked and obtained leave to have printed in the RECORD an address delivered by Paul V. McNutt on January 24, 1940, before the National Automobile Dealers'

Association at Washington, D. C., which appears in the Appendix.]

ADDRESS BY PAUL V. McNUTT AT B'NAI B'RITH BANQUET, WASHINGTON, D. C.

[Mr. GREEN asked and obtained leave to have printed in the RECORD an address delivered by Paul V. McNutt on February 5, 1940, before the B'nai B'rith banquet, held at the Mayflower Hotel, Washington, D. C., which appears in the Appendix.]

DECISION OF SUPREME COURT IN CASE OF ISIAH CHAMBERS ET AL.

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the opinion delivered by Mr. Justice Black on February 12, 1940, of the Supreme Court of the United States in the case of Isiah Chambers, Jack Williamson, Charley Davis, and Walter Woodward, petitioners, against the State of Florida, which appears in the Appendix.]

OPINION OF THE SUPREME COURT IN THE WATERMAN STEAMSHIP CORPORATION CASE

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the opinion of the Supreme Court of the United States, delivered by Mr. Justice Black on February 12, 1940, in the case of the National Labor Relations Board, petitioner, against Waterman Steamship Corporation, which appears in the Appendix.]

ADDRESS BY EDWARD A. O'NEAL ON THE FARMER'S CONTRIBUTION TO THE NATION'S WELFARE

[Mr. HILL asked and obtained leave to have printed in the RECORD a radio address delivered by Edward A. O'Neal, president of the American Farm Bureau Federation, on February 10, 1940, on the farmer's contribution to the Nation's welfare, which appears in the Appendix.]

RESOLUTIONS REGARDING WHEELER-LEA BILL

[Mr. OVERTON asked and obtained leave to have printed in the RECORD excerpts from resolutions adopted by various agricultural and other State and National groups regarding the Wheeler-Lea transportation regulation bill, which appear in the Appendix.]

REPORT OF ATTORNEY GENERAL'S COMMITTEE ON ADMINISTRATIVE PROCEDURE

Mr. MINTON. Mr. President, there is pending before the Senate today a bill commonly called the Logan bill, Senate bill 915. The bill has to do with administrative procedure.

A committee of distinguished lawyers was appointed by the former Attorney General to study this matter of administrative procedure. The committee is composed of Dean Acheson, chairman; Ralph F. Fuchs, Lloyd K. Garrison, D. Lawrence Groner, Henry M. Hart, Jr., Carl McFarland, James W. Morris, Harry Shulman, E. Blythe Stason, and Arthur T. Vanderbilt. For over a year the committee has been making a study of the very intricate and difficult question of administrative procedure.

On January 31, 1940, the chairman of the committee wrote to the President of the United States a letter concerning the matter, in which he pointed out that the committee had been studying the subject for a year and will be ready to make its report along in May of this year, that the problem is a tremendously intricate one upon which a report cannot be stricken off at one fell swoop, and asking the consideration of the Attorney General for time for further study.

I ask unanimous consent that the letter of Mr. Acheson to the Attorney General of the United States may be incorporated in the RECORD as a part of my remarks. I hope Senators may find it agreeable to read this very enlightening letter of Mr. Acheson.

The VICE PRESIDENT. Is there objection?

Mr. KING. Mr. President, will the Senator yield?

Mr. MINTON. I yield to the Senator from Utah.

Mr. KING. I have no objection; but I desire to say that I have read the letter, and I am so satisfied with the letter that at as early a date as possible I shall move to have the Senate take up for consideration the bill to which the Senator refers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE.

Attorney General Jackson today made public the attached report of the Attorney General's Committee on Administrative Procedure. As the report indicates, this committee has been in existence for approximately 1 year. The chairman is Dean Acheson, of Washington, D. C. The other members of the committee are Ralph F. Fuchs, Lloyd K. Garrison, D. Lawrence Groner, Henry M. Hart, Jr., Carl McFarland, James W. Morris, Harry Shulman, E. Blythe Stason, and Arthur T. Vanderbilt.

ATTORNEY GENERAL'S COMMITTEE ON
ADMINISTRATIVE PROCEDURE,
DEPARTMENT OF JUSTICE,
Washington, D. C., January 31, 1940.

The honorable the ATTORNEY GENERAL.

MY DEAR MR. ATTORNEY GENERAL: On February 16, 1939, the President, acting upon the earlier suggestion of former Attorney General Cummings, requested then Attorney General Murphy to appoint a committee to investigate the "need for procedural reform in the field of administrative law." "A thorough and comprehensive study should be made of existing practices and procedures," wrote the President, "with a view to detecting any existing deficiencies and pointing the way to improvements." Accordingly, on February 24, 1939, Attorney General Murphy created this committee in order "to ascertain in a thorough and comprehensive manner" the extent to which criticisms of the administrative procedure of Federal agencies were well founded and "to suggest improvements if any are found advisable."

Since it is "the Attorney General's committee," it is eminently fitting that the committee report to you the present status of its work and ask your wishes as to its future.

When the committee met to organize and plan its program, it was faced with the fact that there was no authentic collection of information on the actual procedure and practices of the numerous Federal agencies. To undertake the initial task of assembling the facts, the committee employed as its director Mr. Walter Gellhorn, of the faculty of law of Columbia University, and a small but able staff of lawyer-investigators. The investigations of this staff into the facts of administrative procedure in the various agencies have been progressing at a constantly accelerated pace.

From the start it was clear to the committee that it could not in a short time and with a limited staff study in detail every agency of the Federal Government. It therefore decided to give its attention to those agencies which directly affect persons outside the Government, either by adjudication or by rule making; for these are the agencies which give rise to the greatest amount of litigation and discussion regarding "administrative law." This limitation excludes agencies engaged in the managerial work of the Government (e. g., Civil Service Commission, Bureau of the Budget), those engaged in "proprietary" activities (e. g., Tennessee Valley Authority), and those which are confined to lending and public-works programs (e. g., Reconstruction Finance Corporation, U. S. Housing Authority, Federal Works Agency), as well as those which are essentially of a service character (e. g., Bureau of Standards).

The committee decided that its staff should study each of the remaining agencies. Studies of 15 agencies have now been completed. They have involved extended interviews with officials and employees of the agencies involved, with members of the public affected, and with attorneys who have represented clients before these agencies. Members of the committee's staff have attended numerous hearings and other administrative proceedings as observers, and have closely examined the files of the agencies to discover the methods utilized in disposing of matters arising under the various statutes and regulations. Upon the completion of these investigations the staff has prepared for the study of the committee a preliminary report upon each agency, discussing in detail its administrative procedures. The report has been given to the officers of the affected agency for their consideration and comment. Thereafter, the full committee has met with the agency's officers to discuss with them the facts and problems disclosed by the report.

It is planned that this program will be followed with each of the remaining agencies.

When these individual studies are finished—which should be by the end of May 1940—the committee intends, in cooperation with various bar and other legal associations, to hold a series of public hearings on the administrative procedures of particular agencies and groups of agencies with full opportunity for expressions of opinion upon all procedural problems. The committee hopes that these hearings may be held during the month of June 1940, and that its final report may be made to you in the autumn of this year.

If the hearings are to be fruitful, there should be widespread understanding of the information already in the committee's possession. For that reason, the committee proposes, with your approval, to make available for public distribution copies of the studies which have been submitted to it by its staff, as revised by the staff in the light of the discussions already described. Eleven such monographs are submitted to you at this time, relating to the Division of Public Contracts, Department of Labor; Veterans' Administration; Federal Communications Commission; United States Maritime Commission; Federal Alcohol Administration; Federal Trade Commission; the administration of the Grain Standards Act, Department of Agriculture; Railroad Retirement Board; Federal Reserve System; Bureau of Marine Inspection and Navigation, Department of Commerce; the administration of the Packers and Stockyards Act, Department of Agriculture. In addition, the staff has recently completed studies of the Post Office

Department, the National Labor Relations Board, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency; reports relative to their procedures and practices will be submitted to you in the near future. Studies have been commenced, in some cases, and are being initiated in others, upon the following: War Department, National Mediation Board, National Railroad Adjustment Board, Tariff Commission, Department of Agriculture,¹ Bureau of Internal Revenue, Board of Tax Appeals, Bureau of Customs, Department of the Treasury, Civil Aeronautics Authority, Department of State, Federal Power Commission, Federal Home Loan Bank Board, Securities and Exchange Commission, Immigration and Naturalization Service, Bituminous Coal Division, Federal Employees' Compensation Committee, Interstate Commerce Commission, Department of the Interior,² Wage and Hour Division, Patent Office, and Social Security Board.

This mere list of names indicates the tremendous diversity of the subject matter and interests entrusted to these Federal agencies. Our study so far shows fully as great diversity in the facts and problems to which particular procedures must be adjusted. The committee has been increasingly impressed by the danger of premature and facile generalization. It is more than ever convinced that every theory or conclusion must be continually tested by reference to a great variety of data as they are developed, and that in this field no generalization can be safely pushed beyond territory which has been carefully surveyed and mapped. Further, the committee's experience has given it convincing proof that problems concerning notice and pleading, preliminary investigation, intervention, functions of attorneys, and rules of evidence assume greater concreteness and yield more readily to analysis when related to particular subject matters and types of proceedings than when they are stated in the form of generalizations. The same may be said of other matters of administrative procedure, such as questions with respect to oral arguments, briefs, exceptions, proposed findings of fact, proposed reports, and rehearings. Moreover, the individual studies now being made constantly add to the committee's insights by bringing to light relationships of problems and suggesting improvements in procedure which have been tested by experience.

Hence the committee believes that, with its study of the facts only half completed, no useful purpose can be achieved by attempting at this time specific judgment upon the various procedures and suggested procedures which have been the subject of its investigation. It is possible, however, to state certain probabilities raised by its study to date.

First, conscientious students of administrative procedure, both in its adjudicative and in its rule-making aspects, have been skeptical that a single formula or set of formulas can properly control the various and changing situations in which administrative action is present. Our studies have served to reinforce that skepticism. In order to maintain reasonable governmental efficiency and to afford realistic protection to affected private interests, procedural diversities are probably inevitable. The monographs already completed exhibit some of those diversities; for, as reference to those studies will illustrate, the subjects and problems encountered in the various agencies, while sometimes bearing surface resemblances, yield in the presence of facts to deeper and much more significant dissimilarities—dissimilarities which inescapably affect the techniques employed in dealing with them. The committee's inquiries have made it apprehensive that a too rigid prescription of administrative procedures would, by substituting artificial uniformity for essential variety, abolish many procedures which now fully satisfy the convenience and protect the welfare of great numbers of citizens and would defeat the substantive purposes of many congressional enactments.

Yet certain recurring issues seem to arise at least in limited areas. There is reason to hope that these issues can be resolved with a measure of uniformity, and that principles may be established for the guidance of administrative action where it affects private rights. The committee is unwilling, and indeed unable, as yet to indicate with assurance the procedural patterns which it may be able to sketch in its final report. Until detailed studies of the operations of the individual agencies have been completed, so that uniform rules can be prescribed with knowledge of their incidence on each agency, the committee believes that generalization would be premature.

Second, the committee is convinced of the need not only for generalized consideration of broad procedural questions, studied apart from the concrete situations in which they arise, but also, and perhaps even more importantly, for the intensive examination of aspects of procedure which may be peculiar to particular agencies. One commission, for example, has the problem whether or not commissioners, in order that they may more fully consider ultimate decisions, should conserve their time by delegating to subordinates greater responsibility for determining questions which occur in the preliminary stages of proceedings. Another agency has a substantial number of default cases, giving rise in that agency to special

problems. Two agencies studied thus far have difficulties with respect to the reconsideration of decisions already rendered. Another is undergoing a sweeping alteration of its basic procedures in an attempt to comply with its interpretation of recent Supreme Court decisions. One bureau is confronted with the question whether the trial-examining system should be replaced by a system calling for final decisions in the field, with the right of appeal to the central office.

Altogether apart from questions of wider import, these matters call for the committee's thoughtful concern. Answers to them, if successfully developed, will constitute a significant contribution to the science of government, for they will perhaps have suggestive values beyond their immediate applications.

Third, in the course of its investigation the committee has found particular administrative procedures which can and should be improved. On such occasions it has stated its criticisms and frankly discussed the purpose and effect of these procedures with the officials of the agency concerned. In many cases these discussions have resulted in differences of opinion as to the wisdom and practicality of changes in procedure. It has not been the impression of the committee in these instances, however, that the criticized procedure was maintained because of indifference or a desire to disregard the basic values which underlie fair administration and decision.

Fourth, the committee believes that a consequence of its work of lasting value will be the stimulation of the agencies themselves toward the improvement of their own procedures. We are much encouraged by knowledge that some agencies, made conscious of procedural problems by the committee's inquiries, have already substantially altered existing practices, either as a result of their own thinking or in accordance with informal suggestions of the committee or its staff.

Fifth, because the volume of work in many agencies which adjudicate controversies has reached large proportions, there has been a growing necessity of delegating to subordinates the function of conducting hearings. In its studies the committee has encountered, in many varied aspects, problems related to the trial examiner. These problems have in the past received relatively little attention. The committee believes that among its most important subjects of investigation are the position of the trial examiner, the personnel filling that position, the limitations which the classification of the position and the resulting salaries have imposed upon obtaining qualified men, and the relationship of the trial examiner to the case which he has heard and to the agency which he has served. There was, prior to the investigations of this committee, but little, if any, information available on these questions which in many agencies go to the very heart of the adjudicative process.

Sixth, the utilization in the rule-making process of methods whereby agencies may obtain information, opinions, and criticisms from those who may be affected by their rules ought to be encouraged. The committee has encountered a number of interesting procedures now actually employed by the several agencies. Here again variety is readily understandable. Regulations governing internal procedure, specifying minimum stock market margin requirements, formulating rules for the construction of oil tankers, and prescribing bookkeeping methods of telegraph and telephone companies obviously present procedural problems to the administrator which vary with the subject matter, the number of persons affected, and the types of interests involved. It is probable that the holding of a public hearing is not the only and sometimes may not be the best method of enabling interested parties to express their views. The committee desires to develop suggestions concerning devices which may appropriately be used in varying circumstances to the advantage of the agencies and of those who are to be guided by regulations.

The progress of the committee's work may then be summarized as follows:

1. Detailed fact studies have been made of a substantial number of the agencies proposed to be studied. The resulting monographs can be made available for public consideration in the immediate future, and new studies can be published from time to time as they are completed.
2. All studies of the various agencies can be completed by the early summer of this year.
3. The committee can be ready for public hearings for the discussion of this material and to obtain the views of the public and the bar during the coming summer.
4. The committee's program contemplates submitting its final report and recommendations to you in the fall of this year.

Respectfully submitted.

DEAN ACHESON,

Chairman for the Committee.

Members of the committee: Dean Acheson, Ralph F. Fuchs, Lloyd K. Garrison, D. Lawrence Groner, Henry M. Hart, Jr., Carl McFarland, James W. Morris, Harry Shulman, E. Blythe Stason, Arthur T. Vanderbilt.

LOANS TO FINLAND

The Senate resumed the consideration of the bill (S. 3069) to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation.

The VICE PRESIDENT. Let the Chair state the question. The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHY] to the bill as amended by the unanimous-consent request submitted by the Senator from Michigan [Mr. BROWN] on Friday last.

¹ Separate monographs will probably be called for in connection with the Department of Agriculture's procedures under the Perishable Commodities Act, Sugar Act, Commodity Exchange Act, Cotton Marketing Act, Agricultural Marketing Agreements Act, and perhaps others.

² Separate monographs may possibly be called for in connection with procedures of the General Land Office, Division of Grazing, Petroleum Conservation Division, Office of Indian Affairs, and perhaps others of the subdivisions of the Interior Department.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. I should like to know what the pending amendment is. May it be stated by the clerk?

The VICE PRESIDENT. Without objection, the amendment will be stated.

The LEGISLATIVE CLERK. After the words "loans to" it is proposed to strike out "any one foreign country"; and after the word "agencies" where it twice occurs, it is proposed to insert "of any one foreign country"; and after the words "made to", it is proposed to strike out "such foreign country and."

Mr. GEORGE. Mr. President, the Senate has before it at this time a proposal to increase the capital stock of the Export-Import Bank from \$100,000,000 to \$200,000,000. The proposal does not undertake to extend the powers of the Export-Import Bank. It rather limits the powers of the Export-Import Bank so far as loans to any one country or to the nationals or citizens of any one country are concerned, and likewise contains a direct prohibition against loans for the exportation of arms, munitions, or implements of war as defined under the Neutrality Act or by the President in virtue of that act. It likewise contains another restriction; that is, that no loans shall be made which violate international law as construed or as interpreted by the Department of State.

There is no extension of power provided for in the bill, but there is the restriction upon the present powers of the bank to which I have already directed attention. The only thing the bill does, in fact, is, subject to these restrictions, to increase the capital stock of the Export-Import Bank from \$100,000,000 to \$200,000,000. The bill originally provided for an unrestricted loan to Finland in the sum of \$60,000,000, but all that was changed by the Committee on Banking and Currency, and the changes made by that committee were not modified by the Committee on Foreign Relations of the Senate, save with respect to the total loans which might be made to any one nation or to the nationals thereof out of the new money provided as capital.

Mr. President, it is very difficult to discuss this matter without thinking of a loan to Finland, although the bill does not provide for any loan to Finland. As the distinguished Senator from North Carolina [Mr. BAILEY] said in the Senate, any one who favors a loan to Finland may point to the bill, if it shall be enacted into law, and say, "I voted for a loan to Finland," and anyone who does not favor a loan to Finland may point to it and say, "I merely voted to increase the capital stock of the Export-Import Bank, and whatever those in charge of the Export-Import Bank may have done is no responsibility of mine beyond the mere fact that I voted for the bill."

I think it may be said, to start with, that there is no money in the bill, to use the language of the Honorable Jesse Jones, for the purchase of arms, munitions, or implements of war for Finland, or China, or any other country. The record is clear and explicit upon that point. Mr. Jones said the Export-Import Bank had never made a loan to finance the exportation of arms, munitions, or implements of war, and would not do so. So that so far as the bill goes, it does not provide for any possible loan in this country to Finland or any other country for the purchase of arms, munitions, or implements of war.

No one wishes to oppose a loan to Finland per se. During the debate in the Senate upon the resolution offered by the distinguished Senator from Mississippi [Mr. HARRISON] calling for expeditious action upon any effort made by Finland to register her bonds for sale to the American people, I stated my position upon the broad general question involved in the conflict now waging between Finland and Russia. I trust that no one will even suggest that anyone who opposes the pending bill is lacking in sympathy for Finland. Not only did I support the resolution of the Senator from Mississippi, but many of us have been privileged, out of our very scanty personal means, to make contributions to Finland, and will repeat those contributions. But it is quite one thing for individuals to contribute to a foreign nation engaged in war,

and another thing for the Government itself to make a loan to a foreign nation engaged in war. There is no objection, so far as the Senate is concerned, to individuals in the United States making loans for the benefit of Finland, and certainly there is no objection to the making of contributions for the benefit of Finland.

Mr. President, I think everyone can recall what a tide of sentiment was running in this country last July and August, how on almost every hand there were those ready to tell us that we would not be able to remain out of the war in Europe, if it should come, and it will be recalled that when war came we were admonished that we would not be able to remain out of it. Expressions of that kind could be heard in high places. One did not have to go outside of official circles in Washington to hear them, and all over the country there was a fear that we might be drawn into the European war.

There were some who then thought we ought to go into the war, and some who now think so. I respect their views. I am not making any quarrel with them at this time. They are entitled to their views. Many of my constituents have said that we should enter the war in Europe and should enter it promptly. Many others put a definite limitation upon the time when we would actually be in the war. But that is beside the question.

The Congress was called into extraordinary session in late September to consider neutrality legislation. I call the attention of the Senate now to the preamble of the Neutrality Act, over which there was a considerable controversy, not only on the floor of the Senate but in the committee of conference between the two Houses. The preamble reads:

Whereas the United States, desiring to preserve its neutrality in wars between foreign states and desiring also to avoid involvement therein, voluntarily imposes upon its nationals by domestic legislation the restrictions set out in this joint resolution; and

Whereas by so doing the United States waives none of its own rights or privileges, or those of any of its nationals, under international law, and expressly reserves all the rights and privileges to which it and its nationals are entitled under the law of nations.

And so forth. This preamble was offered and sustained at every point of controversy by the distinguished junior Senator from Texas [Mr. CONNALLY].

All the provisions in the Neutrality Act of 1939 were preceded by the declaration that the United States desired to preserve its neutrality and to avoid involvement in any war between foreign states. It likewise definitely asserted our rights and the rights of our nationals, as neutrals, under international law.

Mr. President, the United States cannot assert its rights under international law without at the same time taking upon itself those obligations which rest upon it under international law. I very well know that there are those now who say that international law has become a dead letter. If it is a dead letter, there is no guide for civilized nations, and every war, however trifling, may enlarge itself into a world conflict.

In the Neutrality Act we provided that when war existed between two foreign states, and the President so declared, or the Congress so found and declared, thereafter our ships could not carry passengers or any articles or materials to the ports of the belligerent countries, with exceptions which it is not now necessary to mention. We provided that our citizens should not even travel upon belligerent ships. We also provided that no one should solicit and receive funds in the United States for a belligerent country, save under such conditions as might be prescribed, and the only notable exception was that funds might be solicited among our fellow citizens for a belligerent state, when once a state of war had been declared to exist by the President or the Congress, for the purchase of foodstuffs, drugs, and other supplies necessary to relieve human misery, when such supplies were to be used by organizations having no connection with a belligerent state.

Mr. President, we provided that it should be unlawful, under heavy fine and other penalty, for any person to purchase, or sell, or transfer, or accept a bond or other security of a foreign state engaged in war after a state of war had been declared by the President to exist, and we went as far as we

possibly could to do precisely what the Neutrality Act in its preamble declared to be our object, namely, to protect our neutrality and to avoid involvement in the war, at the same time not relinquishing our rights or the rights of our citizens under the law of nations. Need I repeat that when a great country asserts its rights under the law of nations it takes on its shoulders the correlative obligation of meticulously abiding by the law of nations?

When the Neutrality Act was passed, and even before its final passage, when it was evident that it would be passed, the wave of hysteria in the United States began to subside. In official Washington one did not hear the date when we would go into the war. Throughout the country people lost the fear of war. They felt that the United States was taking steps that would, as the Congress itself declared, "preserve" its neutrality.

What is now the situation? Today we are listening to voices that again say that we may be drawn into the war. They are not so loud at the moment, but they may be heard all over the land. They are not so vociferous, let it be said, nor so insistent or persistent, but, nevertheless, already the feeling is growing again that we may be drawn into the European war.

That is the picture, Mr. President; that is the situation. No man can say whether we will finally be drawn into that war, and no man can forecast whether sentiment in this country may be sufficiently strong at any future date to demand our entrance into that war. I do not pretend to forecast that, and do not do so; but I assert with perfect confidence that a step in accordance with strict neutrality is a step against war and away from war. We may not always be able to avoid it even when we walk circumspectly within the letter and spirit of international law, but an unneutral step, a step against well-defined and well-understood precepts of international law, is a step in the direction of war. It may not always lead to war, but it is a step in that direction.

Mr. CONNALLY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Texas?

Mr. GEORGE. I yield to the Senator from Texas.

Mr. CONNALLY. The Senator from Georgia began his remarks by pointing out that under the provisions of the pending measure war materials could not be purchased with the loan, if one should be made. Let me ask the Senator if it is not true, however, that the whole theory of the Neutrality Act and the basis upon which we passed that act, was that no discrimination could be made between war materials and ordinary articles of commerce? Does not that run all through the Neutrality Act?

Mr. GEORGE. I think the Senator is correct, and I was about to approach that phase of the discussion.

Mr. President, it is true that no state of war has been declared between Finland and Russia, or between China and Japan. It is true that the strict provisions of the Neutrality Act do not textually apply; but is the United States to violate the very essence and spirit of its own Neutrality Act, and may it do so with impunity?

It is likewise true, as the Senator from Texas brought to our attention, that under the Neutrality Act, when a declaration of war has been made, we cannot make a loan in this country, and the Government itself cannot make a sale of arms, munitions, or implements of war to any country involved in that war.

It is also true that the Neutrality Act went much further. It provided that a sale of arms, ammunition, and implements of war by a private citizen of the United States to a private citizen of another country would be conclusively held to be a sale to the country itself of which that private citizen was a national and to which the shipment was made.

So, Mr. President, while there is not a declared state of war between Finland and Russia, and China and Japan, there is an actual state of war between Finland and Russia. That is the very reason why the pending bill is here—not in its present form but as originally introduced. It was introduced

to relieve Finland, which was fighting with its back to the wall. It was introduced to help Finland in her unequal struggle with Russia. There is an actual war there. Do we preserve our neutrality for the purpose of preventing our involvement in war when, merely because there has not been a technical declaration of war, we undertake to do, and propose to do, the very things that have been outlawed by the Neutrality Act which we passed last November?

Not only that, but the Secretary of War came to the Congress and made his whole plea for the change and modification of our then existing Neutrality Act, which prohibited the shipment of arms, ammunition, and implements of war at all to a warring nation, upon the basis of real neutrality. I am sure the President remembers it. The final basis of the Secretary of State's plea, adopted literally by the President of the United States when he sent his message to the Congress in extraordinary session, came down to this: That it is unneutral for this great Nation to deny to any neutral or friendly nation the right to come into our markets and buy of us anything we may have to sell. It was not claimed that we did not have the power to say, "We will not let you buy our arms, ammunition, and implements of war." They said that basically such an act was unneutral. That was the philosophy of the Secretary of State. That was the basis upon which he rested his whole plea.

It was said by those who opposed the proposal, of course, that if we changed our law in the middle of the stream, so to speak, we would enable France and Great Britain to obtain arms, munitions, and implements of war which Germany, lacking in ships and not having command of the sea, could not obtain. All good and well. But the Secretary of State said, as his statement will disclose, that down at bottom every neutral state has the right to come to another neutral state and say, "We are now engaged in war with a third party. You are violating neutrality in its deepest sense, in its truest meaning, when you deny us the power to come within your borders and buy anything that you sell ordinarily and generally to neutral countries."

Mr. President, if a state of war were declared between Finland and Russia, Mr. Hoover and no one else could even solicit funds for general purposes for either belligerent from our citizens. But it has not been declared, and funds have been solicited and are being solicited and have been contributed in no inconsequential amount. If a declaration of war were made, not a bond of the Finnish Government or of the Russian Government could be offered for sale in the United States. But we have said that Finland at least may offer her securities here for sale, and we have called on an agency of our Government to expedite the handling or the clearing of Finnish bonds if Finland should offer to sell them.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. JOHNSON of Colorado. I do not understand that the mere declaration of war between Finland and Russia would cause the Neutrality Act to become effective. There are three conditions listed in section 1, first—

Mr. GEORGE. Mr. President, I do not want to get into any argument on that point. Of course, if the President issued his proclamation the act would be effective.

Mr. JOHNSON of Colorado. Yes; if he issued it; but he does not have to issue it merely because there is a declaration of war.

Mr. GEORGE. No; I did not say that. I said, "if the President issues a proclamation declaring the existence of war."

Mr. JOHNSON of Colorado. Yes; if the President issues his proclamation. But he does not have to issue it unless he finds it necessary to do so to promote the security, or to preserve the peace of the United States, or to protect the lives of the citizens of the United States.

Mr. GEORGE. Yes. I am not quarreling with the Senator about that; but I said, if the President should issue a proclamation declaring the existence of a state of war, every line of the Neutrality Act would go into effect.

Mr. JOHNSON of Colorado. If he issued a proclamation; yes.

Mr. GEORGE. The Senator may quarrel as long as he pleases about mere language. If the President issued his proclamation or his declaration, every line of the Neutrality Act would go into effect. Now the fact is that he has not done so, although a war exists. The President probably is justified—indeed, I shall go so far as to say that, in my opinion, he is justified—in not issuing the proclamation. Why? Not because war does not exist; not because we are relieved of any obligation resting upon us as a neutral nation under international law—not at all—but solely because he does not think this particular war endangers the safety or security of our citizens, or makes it necessary for him to issue the proclamation. I believe he is right in that.

But, Mr. President, in the passage of the Neutrality Act we asserted our insistence upon our neutrality. We said we were passing the act in order to preserve that neutrality, and for the single purpose of keeping the United States out of war. A great nation cannot violate the spirit and the soul of its own action without endangering itself. No great nation can afford to do so.

Mr. President, I now come to a consideration which I wish to present to the Senate. I do not think the State Department is out of harmony with the interpretation of international law. Indeed, I do not see how it can be, because there is no ground for difference of opinion. Usually upon any question of law, domestic or international, there is the possibility of dispute. I wish to read what Mr. Hackworth, of the State Department, legal adviser to the Secretary of State, said before the Foreign Relations Committee of the Senate in answer to my question. I read from page 37 of the hearings. I said to Mr. Hackworth:

I believe that it may now be said that loans have been made directly to foreign countries, and since some of these countries are now in war, the question arises whether making these loans to belligerents is an unneutral act.

Mr. HACKWORTH. I think you want to look to the time when the loan was made to see whether the country was belligerent at that time or not. There is very strong authority for the proposition that a neutral cannot make a loan to a belligerent. However, by the convention concluded at Habana in 1928, an exception was made to that general proposition, to the effect that loans could be made by a neutral for the purchase of food supplies and raw materials.

Senator GEORGE. Yes.

Mr. HACKWORTH. That convention was approved by the Senate and has been ratified by the United States.

Senator GEORGE. Yes; I think there is no question as to that at all; loans made for ordinary peacetime purposes, for food supplies and other necessities, including drugs—I believe it included drugs.

Mr. HACKWORTH. It specifies food supplies and raw materials.

Senator GEORGE. I think it would be construed as including anything of the nature or character of a drug. Aside from that modification, we have recognized no other modification of the broad principle that an unrestricted loan to a belligerent is an unneutral act?

Mr. HACKWORTH. No; we have recognized no other qualification so far as I know.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CONNALLY. Is it not true that the Convention of Habana applied only to Latin American countries?

Mr. GEORGE. Exactly.

Mr. CONNALLY. So it does not affect the general law.

Mr. GEORGE. It does not affect the general law. I was about to make that distinction, Mr. President. It was a convention between the United States and certain Latin American countries, or countries in the Western Hemisphere. I do not believe it necessary to labor the point that the Western Hemisphere has always been considered apart from general principles of international law so far as we are concerned. We have asserted the Monroe Doctrine, and we have taken other positions which, of course, take this convention entirely out of international law.

However, I shall come back to that question a little later.

I asked Mr. Hackworth another question:

Senator GEORGE. I believe the question first arose with us during John Adams' administration, did it not?

LXXXVI—88

Mr. HACKWORTH. It did, with respect to a loan to France.

Senator GEORGE. There was a very definite pronouncement then that a loan to France would be an unneutral act?

Mr. HACKWORTH. That is correct.

Senator GEORGE. That, of course, was prior to any of the embargo acts, which came along subsequently in the Jefferson administration.

Mr. HACKWORTH. The same question came up again with respect to underwriting a loan by one of the South American countries which was then in revolt against Spain, and we said that we could not underwrite such a loan.

Senator GEORGE. This bill as it stands, and with the restrictions which the Export-Import Bank has placed around its loans, confining them to foodstuffs, raw agricultural products, and processed articles other than arms, munitions, and so forth, is not, of course, on its face a violation of neutrality as we interpret it.

Mr. HACKWORTH. I do not think so.

Later, in reply to a question by the Senator from California [Mr. JOHNSON], Mr. Hackworth made a further statement.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BROWN. I think the question which the Senator has just read, which he asked Mr. Hackworth, should be clarified in one respect. The Senator said:

This bill as it stands, and with the restrictions which the Export-Import Bank has placed around its loans, confining them to foodstuffs, raw agricultural products, and processed articles other than arms, munitions, and so forth, is not, of course, on its face a violation of neutrality as we interpret it.

Mr. Hackworth said:

I do not think so.

I wish to know to what bill the Senator was referring. Was it the original bill, or was it the bill which the Banking and Currency Committee had reported as a substitute for the original bill?

Mr. GEORGE. It was the substitute bill.

Mr. BROWN. Then it is practically the bill we now have before us?

Mr. GEORGE. Yes.

Mr. BROWN. Which the Senator did not then think and, as I understand, does not now think, is a violation of our neutrality.

Mr. GEORGE. Yes. I shall be pleased to discuss that point shortly.

In reply to the question asked by the Senator from California [Mr. JOHNSON], Mr. Hackworth made this statement:

It seems to me, Senator, that the situation is safeguarded by the language that no loan shall be made in violation of international law as interpreted by the Department of State. If a loan came up it would be very appropriate for the Department of State to try to inquire into the purpose of the loan and to decide whether it would violate international law, and if the Department found that it would violate international law, I take it that the Department would oppose it.

Mr. President, let us look at the law as it actually stands. Solely for convenience I read from the American Journal of International Law, a recent compilation, as of July 1939. However, I read no statement which is not verified either in the text or by myself outside the text. I read the following language from page 233:

A neutral state in the exercise of its neutral rights and in the performance of its neutral duties shall be impartial and refrain from discrimination between belligerents.

* * * The principle itself is inherent in the nature of neutrality. Nevertheless, this standard was not fully accepted until at least the end of the eighteenth century. Prior to that time it was considered permissible for a state to assist one belligerent without abandoning neutrality (with citations). * * *

The United States in 1793 committed itself to the doctrine of impartiality, thus strengthening the precedents set by the Italian states a few years before (citing authority) * * * and by the members of the Armed Neutrality of 1780. But even the Government of the United States for some time admitted that an unequal advantage could be given to one belligerent if a prior treaty provided for some special privilege.

Coming to the specific question before the Senate in the consideration of the bill before us, on page 235 of the compilation from which I am reading there appears the following broad, general language under article 5:

A neutral state shall abstain from supplying to a belligerent assistance for the prosecution of the war.

Under that broad proposition it is expressly stated that—

The neutral state is forbidden—

(a) To deliver to the belligerent, directly or indirectly, or for any reason whatever, ships of war, munitions, or any other war material; (b) to grant it loans, or to open credits for it during the duration of the war.

Mr. President, I read from the same compilation on page 237:

In 1798 and 1816 the United States declared that a loan by a neutral state to a belligerent government was illegal.

Citing no less an authority upon that proposition than Dr. John Bassett Moore. In my humble judgment, Dr. John Bassett Moore is the foremost contemporary American authority on international law. I should like to read the exact text and see how explicit it is, and how without qualification. I read from the Digest of International Law, volume 7. Dr. Moore says:

With reference to the loan of money which was solicited from the United States by the French Government, in 1798, through the American envoys in Paris, the United States took the ground that such a loan would be a violation of neutrality. This is cited with approval by Chancellor Kent.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield for a question.

Mr. PEPPER. I was going to ask the Senator if he had given, in the course of his remarks, any definition of a belligerent state?

Mr. GEORGE. No; I have not.

Mr. President, without citing additional authority upon this question, I want to make a further statement.

Mr. WAGNER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from New York?

Mr. GEORGE. I yield.

Mr. WAGNER. I merely wish to read from the American Journal of International Law for July 1939, from which the Senator has read, another observation occurring on page 211, beginning with line 5:

Regardless of theoretical considerations or legal definitions, if the states of the world choose to regard a formal armed conflict between two of their number as not being "war" and particularly if the contestants themselves choose to take the same view, the law of neutrality is not in effect. That is a necessary conclusion from current international practice.

Mr. GEORGE. From what page is the Senator reading?

Mr. WAGNER. From page 211.

Mr. GEORGE. I have not examined that text, and I do not even know what was under discussion at that point.

Mr. WAGNER. The question of belligerency.

Mr. GEORGE. Very well. I have no controversy with the broad general statement, of course.

Mr. President, I refer again to our own Neutrality Act. We declared it to be our purpose to preserve our neutrality and to avoid involvement in war. There are innumerable writers of the newspaper school, as there are men in public office, who will say—and anyone is entitled to that view—that our country will not necessarily be led into war by the making of a loan to Finland or the making of a loan to any other country that actually is engaged in war, though it escapes the technical definition of a belligerent because it does not desire to declare that it is at war, possibly for the very purpose of securing from this great country aid and assistance. Certainly our country will not necessarily be led into war. No one has asserted—I have not asserted—that the action proposed to be taken will lead to war; but I do say, Mr. President, when we hide behind the mere failure of a country to declare what all mankind knows to be the truth; that is, that a state of war exists, in order that the United States may violate the essential principle of neutrality and furnish to such state arms, munitions, and implements of war or money with which they may buy these things, that then we are taking a definite step toward war.

Mr. BROWN. Mr. President, I am sure, if the Senator will yield to me, that he does not mean to assert that the pending bill does any of the things which he has just detailed. It does not propose to ship any munitions of war; it does not

propose to lend any money for that purpose. That is expressly denied by the language of the bill.

Mr. GEORGE. Well, Mr. President, the Senator has an amendment to the bill, which I do not know whether he will offer, providing for a loan of money outright without any restrictions or qualifications. I must, of course, discuss the matter in the light of realities.

Mr. BROWN. I will say to the Senator that my original bill was, doubtless, subject to the criticism he has just made if we lay aside entirely the question of whether or not a war exists; but in introducing that bill, and, in the process of having it heard by two committees, I have been educated to a considerable extent, and it is not, I will say to the Senator, my intention now to propose the amendment to which he refers. I had intended to discuss that rather more fully after the Senator shall have finished his speech, but I have come to the conclusion that I do not want to do anything that would, in the slightest, be subject to the criticism that we are acting in violation of our neutrality by anything we do in connection with Finland.

Mr. GEORGE. Mr. President, I may say frankly to the Senator that that has very great effect upon what I am saying, because it is not now my contention that the substitute bill as reported is itself and on its face any violation of our neutrality. I will go even further than that and say, while the loans may be made and the proceeds of the loans may indirectly be used for the purchase of arms, munitions, or implements of war; that, I think, is a matter over which we would not be called on to exercise control; and, so far as the bill on its face is concerned, I have not asserted, and do not assert, that it is a violation of our neutral rights.

Mr. BROWN. I am glad to have the Senator make that statement.

Mr. GEORGE. But I should like to say, because the question may arise at a subsequent time, that I think the safest course for our country to pursue under all the circumstances is to live within the spirit, even though technically we might be justified in stepping without the spirit, of our own Neutrality Act, and also to live within the spirit of what is rightly considered to be the law of nations, as we understand it to be.

I said, Mr. President, in answer to a statement by the Senator from Texas, that the Habana Convention of 1928 did not, of course, affect the status of international law, and I am sure that that statement must be taken as correct. Yet international law is made up and grows out of treaties and understandings and covenants and agreements; it springs out of the best thought and out of the course of conduct and the policy pursued by enlightened peoples and governments through long centuries of time. The Habana Convention has, in my honest judgment, some application to us so far as concerns the furnishing of food supplies and other necessities to relieve human suffering, not embracing, of course, arms or munitions or implements of war.

I wish to make it perfectly understood, Mr. President, that I do not think, for a moment, that Mr. Jones or Mr. Moore of the State Department or anyone else connected with the Export-Import Bank, as trustees, would depart from their uniform custom of confining their loans to the financing of exports of surplus agriculture and industrial products of this country, and I am quite sure that they are in perfect good faith when they say that none of the bank's money will be used at any time for the purpose of financing the exportation of arms, munitions, and implements of war. I accept that statement as being made absolutely in the best of faith.

Mr. WAGNER. Mr. President, before the Senator leaves that point, I may say, referring to his statement of a moment ago that the failure to recognize a state of war to exist may be for the very purpose of permitting certain sales to be made, that when Mr. Hackworth was before the committee I asked him whether any other neutral nation in the world had recognized a state of war to exist between Finland and Russia, and he said that not one neutral nation has recognized that a state of war exists. So all other neutral

countries in the world have taken exactly the same attitude as has our country.

Mr. REYNOLDS. Mr. President—

Mr. GEORGE. I believe, if the Senator from North Carolina will permit me to proceed for a moment, that he did qualify that statement to the effect that the League of Nations itself took cognizance of the existence of the war and had the Russian Government before it or had invited it to come before it.

Mr. WAGNER. And the Russian Government stated its position.

Mr. GEORGE. Oh, yes; I understand that.

Mr. WAGNER. Perhaps I had better read the testimony.

Mr. GEORGE. The Senator may put it in if he wishes to later.

Mr. WAGNER. Very well.

Mr. GEORGE. I am not quarreling now about that, but I can see, as anyone else can see, that a country may even fail to declare that it is in a state of war with another country because it may desire to secure aid and assistance from some neutral nation. Technically, I am not contending that a condition of belligerency actually exists until there has been a declaration or an acknowledgment not by neutrals but by the countries themselves involved that they are engaged in war.

Mr. President, I assert that under our Neutrality Act the President of the United States could declare that a state of war exists between Russia and Finland if he found that it was necessary for him to make such a proclamation or declaration in order to preserve the peace and security or to protect the lives of citizens of the United States. I submit that the mere failure of countries actually engaged in war themselves to admit that they are in war, or to follow their action by a definite proclamation of war, is not binding upon the President of the United States nor upon the Congress of the United States under our own Neutrality Act. It is the spirit of that act, and it is what that act invokes, that I am here invoking in the consideration of this question.

Now, a few general observations and I am through.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WAGNER. I think the Senator misunderstood the point I made. The point I tried to make was that, according to the testimony before our committee, every other neutral in the world besides ourselves has failed to recognize that a state of war exists. In other words, the attitude of other neutrals is exactly the attitude of the United States.

Mr. GEORGE. Yes, Mr. President; I have no doubt of that. I presume it has not become necessary for other neutrals to consider whether or not a state of war exists; but I say to the Senator that, as he well knows, if any question arises under maritime law in the courts of admiralty in this country, they will consider that a state of war exists between Russia and Finland. That is a part of international law and a great body of international law; but I am not arguing upon that point. That, at most, would be a mere technical distinction which I do not care to argue at all.

Now, Mr. President, I desire to make a few general observations in line with what I have already said.

The Constitution vests in the Congress alone the power to declare war. This power should remain free and untrammelled in all circumstances. Any course which limits or restricts the independent judgment of the Congress on the supreme issue of war and peace is a direct infringement of the constitutional power vested in the Congress alone. The Congress at all times should be free to decide the momentous issue of war or peace without embarrassment because of something previously done by the executive branch of the Government, and without the necessity of compromising its own freedom of action in order to avoid what otherwise would seem an unseemly conflict with action previously taken by the executive branch of the Government.

Mr. President, that has a direct bearing upon what I said in the Senate a few days ago—that if we are going to make loans to Finland or to any other foreign country engaged in war, actual or undeclared, the Congress should do it. In my

candid opinion, it should not be left in the hands of an agency of the Government, because the action taken by the agency of government may be an embarrassment to the Congress itself when it is subsequently called upon to pass upon the question of peace or war.

No thoughtful student of constitutional government can put entirely out of mind the unfortunate circumstance that a President of the United States directed our armed forces into territory beyond the boundaries of the State of Texas and beyond the boundaries of that State as claimed by that State, and thus exposed our armed forces to an advanced position of danger. Thereafter it was impossible to resist the cry that to all intents and purposes we were at war, because the lives of our soldiers were imperiled; and so we went to war. John C. Calhoun, among others on this floor, stood upon unassailable ground when he declared that if we were resolved to go to war with Mexico, it was not at the same time necessary for us to make war upon the American Constitution.

No country, and particularly no free country, goes to war in one stride. It moves cautiously, because public sentiment must support it, step by step, stage by stage, until one day we may find ourselves in a position where we cannot well turn back. A loan to Finland within itself, even if it were a direct loan of the entire amount involved in this bill, is not of great consequence. Likewise, the same thing may be said of China. But if the fury of war grows more intense, and if the hour comes when the great cities of Paris and of London and the area embraced within the little island of England and the nation of France itself are actually threatened, sentiment in this country, generally sympathetic with the cause of Britain and France, may well drive us nearer to further loans and to additional steps that we do not want to take.

So, Mr. President, I assert that the broad constitutional power which vests in the Congress the sole and exclusive right to determine the issue of peace and war should remain always unembarrassed by previous or concurrent Executive action which may embarrass it or otherwise force it into collision with action taken by another department of Government.

Mr. President, I now address myself to another principle which I wish to state. We cannot advocate the policy of punishing another nation for conduct not directed against us or our vital interests, however flagrant or reprehensible, however outrageous, however condemned by the moral judgment of mankind, unless we accept the doctrine of collective security as the basis of our foreign policy. I state unequivocally that when this Nation, whatever may be the purity of its motives and the strength of its high purpose, undertakes to punish another nation or to enter into the wars of other powers for the purpose of punishing wrongdoing, whenever we abandon the basis of our foreign policy that we will defend against acts that are directed against us or against our vital interests, we must go to the nebulous policy of collective security which has been often pressed in these latter days.

Mr. President, whatever the shortcomings of international law as furnishing a guide for national action, there is no other procedure so deeply imbedded in the minds and hearts and practices of mankind, and nothing better has been offered to replace it. We have tried to supplement it by additional limitations upon acts of our own citizens, but without abandoning it.

Let no one assume that we must condone wrong in order to remain neutral. I know that loose statement is made. We have the power, and in the political sense the right, and I will say in extreme circumstances the moral right, to become unneutral and to enter any conflict which may arise in any quarter of the globe; but we cannot be half in and half out of someone else's quarrel. We cannot be partly neutral and partly unneutral. If the circumstances arise, we shall find it most difficult, if not impossible, to avoid going all the way when we have taken a definite step in the direction of unneutrality; I will not use the stronger term "intervention." A great people cannot follow a vacillating and an uncertain and a whimsical course. The plainest principles of international morality require that we advise not merely

the belligerents, those actually involved in war, but all neutral nations that we are unneutral when we reach the conclusion that the exigencies of the case compel us to be such, and compel us to an unneutral course of conduct.

When all is said, neutrality leads away from war, as I said in the beginning. It may not, in every case, enable us honorably to avoid it. Unneutrality and unneutral action lead inevitably toward war, although they may not in every case actually lead us into war.

Now, Mr. President, I have done; but I want to read from Dr. John Bassett Moore upon this question that is so frequently pressed now upon the Congress. He says:

The supposition that the law of neutrality imposes moral indifference to the merits of armed conflicts and makes any intervention in them unlawful, I can only call baseless. The law of neutrality—

Says Dr. Moore—

does not require a neutral state to remain so. A neutral state may, if it should so desire, enter the conflict; but it cannot be both in and out. The law of neutrality merely applies the rule of common honesty. Parties to an armed conflict are entitled to know who are in it and who are not. No matter how it is viewed, the demand that the law of neutrality shall be considered as obsolete is so visionary, so confused, so somnambulist—

Says Dr. Moore—

that no concession to it can be rationally made.

Mr. President, if this Nation follows the course it has pursued for more than a century, not of avoiding its obligations and its responsibilities, but of assuming them under the well-established principles of law, assuming all of its obligations, and insisting likewise upon its rights, except when we have by our own Neutrality Act put an end to those rights, and circumscribed them for the purpose of avoiding involvement in war, we shall be in a much safer position, we shall stand upon much more certain ground than if we allow our sympathies for small nations or weak nations to sweep us into some congressional action which may subsequently embarrass us, and embarrass us greatly, if the unfortunate conflict in Europe should go to its final natural conclusion.

Mr. TAFT. Mr. President, I send to the desk and will call up in a moment an amendment which I should like to have the clerk read.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 12, it is proposed to strike out "\$200,000,000" and to insert in lieu thereof "\$150,000,000."

Mr. TAFT. Mr. President, the Export-Import Bank was formed originally for the purpose of promoting and helping in the financing of American trade. Its \$100,000,000 capital—as a matter of fact, I think it was only \$25,000,000 in the beginning—was intended as a revolving fund. It was intended as a short-term credit proposition. It was intended to finance private transactions, not sales to foreign governments. There was no particular limitation as to governments, but certainly when the law was enacted originally it was not intended to be an act to encourage loans to governments.

Since that time, however, it has developed until today practically all the loans are made either to governments or to government-owned corporations, or they are indirectly guaranteed by governments. The result is that the \$100,000,000, or a large part of it, is frozen, simply because the loans are of that character. They are being paid back, but paid back very slowly, not at all with the speed with which credits to private interests are repaid. The request for additional capital is in effect an effort to have us say to the Export-Import Bank, or to the administration, "You may lend money to any government in the world, as you choose." I think that policy is wrong. I spoke last year at length, during the debate on the spend-lend bill, against the increase in capital provided for at that time.

As a matter of fact, this increase in capital is equivalent to an increase in general Government expenses. All of us are interested in not being forced to increase the debt limit by a deficit, and one of the ways by which that is to be prevented

is in calling back from various Government agencies capital not needed by them. We asked Mr. Jones, before the Committee on Banking and Currency, whether the Reconstruction Finance Corporation would be called on to pay back any of its capital, and he said that he was going to be called on to pay back \$200,000,000, and he stated that the Reconstruction Finance Corporation had \$200,000,000 which it did not need. Then we asked him whether he could also put up this \$100,000,000 for the Export-Import Bank, for it is from that institution that the contemplated increase of capital of the Export-Import Bank is to be made. He replied—

Yes, in addition to paying back to the Government \$200,000,000, we can use another hundred million, without hampering the operations of the R. F. C. to finance the Export-Import Bank.

Obviously, if we require him to put up only \$50,000,000, as I propose, the other \$50,000,000 can be paid back to the Government, and he can reduce to that extent the permanent debt of the United States, or avoid the necessity for increasing it beyond the debt limit. So this is very largely a question of direct appropriation, although it does not appear and will not appear among the Budget expenditures.

Mr. President, the Export-Import Bank today is largely lending to governments. They have outstanding today \$65,000,000, and \$59,000,000 in addition is committed, making a total of \$124,000,000; but commitments are not usually all called for.

Senators are familiar with a great many of the loans. There was a loan to China; there is a loan to Nicaragua of \$2,500,000; a loan to Panamanian credits, the Republic of Panama, of \$2,500,000, and a loan to Paraguay of approximately \$3,400,000.

In most cases that money is used for the purpose of financing the purchase of goods from the United States; but that does not necessarily make the policy a sound one. Our experience with loans to South America certainly shows that such loans are not likely, in the long run, to be paid. Of course, current payments are being kept up, but when finally we stop lending, when finally it becomes apparent we are not going to lend any more, I see no particular reason why those governments should treat such loans, after they are 2 or 3 years old, any differently from the way in which they treat other loans. Today South American countries owe to individuals in this country \$1,200,000,000, which is in default, and is not being paid.

The whole policy of promoting foreign trade by lending money to governments I think is a mistake, because those credits are not good, and there is no possible way in which we can enforce loans to governments. We are not going to war to do it, and that is the only way they can be enforced; and if these governments know that is the only way in which they can be enforced, they are going sooner or later to take the position which all our European debtors have taken, that they simply will not pay the debts which they owe.

It is all very well to say it increases foreign trade; but of course it is a mere drop in the bucket. The whole amount of \$100,000,000 is only 4 percent of our total foreign trade for 1 year. It amounts to practically nothing in increasing the exports of the United States. If it did amount to something it would be just like financing them through the export of silver, or the receipt of any other useless product. The promissory notes of these governments are, in fact, of little value. There is no use in promoting export trade if we are not going to be paid for it.

We had an example after the war of a tremendous amount of private credits, four or five billion dollars, used in building up a great export trade which we thought was permanent. Then it appeared that the loans were not going to be paid, and as soon as that became apparent all that export trade disappeared, and the result was a complete collapse in the particular industries which were relying upon that trade. If export trade is not on a sound basis of exchange of commodities, then we might as well give up that export trade altogether. Unless we can promote that kind of export trade, I do not see how we can expect a very substantial boom in export trade through the lending of money to other people.

I may say that the Democrats themselves strongly criticized the policy which built up export trade through credit during the twenties, and I think that was one of the proper criticisms they made. Yet, now they are proposing that we build up export trade through the extension of credit.

Mr. President, the actual amount required for the loan to Finland, if the proposed action is justified on that ground, is \$20,000,000. Yet we are being asked to supply \$100,000,000. There is a suggestion that some of the money is to go to China, there is a suggestion that some of it will go to Norway. In any event, we are asked to give carte blanche to the administration to lend the other \$80,000,000 wherever they choose to lend it. It is a question of foreign policy which the Congress should determine. We never have loaned money to governments except in very special cases, and the whole power should be terminated, as proposed in the Danaher amendment. If any loan to a government is to be made, it should come before Congress for determination as to the particular amount and the particular circumstances of the particular loan.

Personally, I am willing that money be loaned to Finland. So long as the Russians say they are not at war, I think they are estopped from saying to us that we should not lend to Finland. We would be perfectly willing to lend if they were not at war with Russia, if Russia had not attacked them. Why should the fact that they have been wantonly attacked make any difference?

It seems to me that a Finnish loan is justified. I do not see any breach of neutrality involved. In this particular case there is no possible issue involved except the freedom of a small struggling nation, and the United States has always sympathized with such causes. We helped the Spanish-American countries when they sought their freedom from Spain. We went to war with Spain in order to free Cuba. We have always sympathized with a country struggling for its freedom, and in this case there is no possible confusion of issues; there is no possible question as to what the war is about. I am as strongly opposed as possible to becoming involved, through loans or in any other way, in the European War. The issues are complicated, they are involved with all kinds of different questions, they are involved with all kinds of European prejudices. We cannot possibly get into that struggle without becoming involved in a tremendous war in which we would have to put forth our entire effort. But so far as a Finnish loan is concerned, I cannot see how it can possibly lead to war, and it certainly is a reasonable gesture of friendship for a small nation, which alone among all the nations of Europe has paid its debt to the United States. Finland has paid us five and a half million dollars.

I object to the general policy of authorizing loans to be made at the discretion of the Executive to South American countries, or to any country in the world. If the bill could be reduced merely to the one question of a loan to Finland, I should be very glad to vote for it. Even if Senators are in favor of a loan to Finland, certainly they can vote to reduce the amount which is proposed. If the amendment which I shall offer when the time comes, is adopted, then there will be plenty of money for a loan to Finland, and the Export-Import Bank will be provided with that small amount of additional liquid capital which they need if they are to confine their efforts to financing American trade for individual exporters and in rapid turnover transactions, in promoting American trade in a natural way, and building it up on a permanent basis, instead of building it up with Government loans which will be merely shifting sands when it comes to the development of a permanent trade.

I hope therefore that my proposed amendment will be adopted.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHER] to the bill.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	George	Lodge	Schwellenbach
Andrews	Gerry	Lundeen	Sheppard
Ashurst	Gibson	McCarran	Shipstead
Austin	Gillette	McKellar	Smathers
Bankhead	Glass	McNary	Smith
Barbour	Green	Maloney	Stewart
Barkley	Guffey	Mead	Taft
Bilbo	Gurney	Miller	Thomas, Idaho
Brown	Hale	Minton	Thomas, Okla.
Bulow	Harrison	Murray	Thomas, Utah
Burke	Hatch	Neely	Townsend
Byrnes	Hayden	Norris	Tydings
Capper	Herring	O'Mahoney	Van Nuys
Chandler	Hill	Overton	Wagner
Chavez	Holt	Pepper	Walsh
Clark, Idaho	Hughes	Pittman	Wheeler
Clark, Mo.	Johnson, Calif.	Radcliffe	White
Connally	Johnson, Colo.	Reed	Wiley
Danaher	King	Reynolds	
Davis	La Follette	Russell	
Frazier	Lee	Schwartz	

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

Mr. McCARRAN. Mr. President, perhaps nothing more important will come before the Congress at this session than the measure which is now pending; for, because of conditions which prevail throughout the world, the attitude of this Government, after having passed the Neutrality Act at the recent special session, is being watched, and will be watched with great care and particularity. Our neutrality has been announced to the world, and the limit to which we would go to maintain that neutrality has been announced by statute, from the rostrum, and from the legislative halls.

I want to help Finland. The question is, How can we give that help intelligently and honestly?

The bill before the Senate at this time was introduced with a title which naturally arrested the interest of the people of this country and of the world, because if we as a Government were to make a loan to warring countries abroad, then that loan, however small it might be, to whatever country it might be extended, would be an entering wedge by which a precedent would be established, and the question of how far we would go with the policy would be one for future consideration. If we could lend and would lend to warring nations abroad, even though a declaration of war had not been formally made, then indeed we would be called upon in the not distant future to make far more extended loans to countries with respect to which a declaration of war had been made, or perhaps to belligerent nations with respect to which no declaration of war had been made.

If the proposed loan goes forward as was originally intended by the bill, as a loan to Finland, however much we desire to see Finland successful in her life-and-death struggle, and if the bill is approved by the Congress of the United States, then there is no reason why Great Britain, which is at war today and which claims blood relationship to us, which claims that we belong to the same tongue and the same ancestry, should not come forward as she did at the outset of the World War, and ask for extended credits and loans.

If we go into the lending business there is no limit, because as time goes on and the holocaust of war continues, as it promises to continue, no one can say what nations may be involved in the not distant future, nor how much we, trying to keep ourselves neutral, may be called upon to contribute to a condition which was one of the impelling conditions which led us into the World War. If, at the outset of the World War, we had remained away from agencies which loaned the credit of this country to the warring nations, I say without much fear of contradiction that today we should not have row on row of white crosses in Flanders fields. We should not have throughout the length and breadth of this country hospitals where boys are now dying who wish they might have died upon the field of battle rather than to have lingered, maimed and tortured, through 21 years.

Mr. President, I say without a doubt that our action with reference to this bill as it is today, is a momentous action, because it sets a precedent under a subterfuge. Better a thousand times that we had remained steadfast with the title of the bill as it was introduced by the able Senator from Michigan [Mr. BROWN]. Better a thousand times that we had said that we would consider the proposal to make an out-and-out loan to some country. Then at least we should have been honest with ourselves. We should have been honest with the people of this country and with the other countries of the world.

The history of the bill is most interesting, because when the bill went to the Committee on Banking and Currency everything after the enacting clause was stricken out. Everything that pertained to a loan to Finland, and everything that even squinted at Finland was eliminated from the bill. Today it comes before the Senate after having gone through the Committee on Banking and Currency and the Committee on Foreign Relations. It bears today no resemblance to the bill which was introduced by the Senator from Michigan. It has no portion which even looks like the bill which was introduced by the Senator from Michigan.

What are we doing? Are we trying to fool ourselves? Are we trying to fool the people of this country? Are we trying to fool the people of Finland? Are we trying to fool the people of the world? The bill proposes to increase the capital stock of the Export-Import Bank of Washington from \$100,000,000 to \$200,000,000. It says nothing about a loan to Finland. Mr. Jesse Jones, in testifying before the Committee on Foreign Relations, in no way positively declared that a loan would be made to Finland. He based his testimony on conjecture, upon Finland's ability to pay, as he says.

Mr. LUNDEEN. Mr. President, will the able Senator yield?
Mr. McCARRAN. I yield.

Mr. LUNDEEN. The Senator mentions Jesse Jones. It might be well to recall that that able gentleman made a statement the other day saying that it was our own fault—America's fault—that Europe did not pay her debts, because we had loaned them too much. That is a peculiar kind of reasoning in view of the fact that we are now proposing to lend Europe still more and in view of the fact that these were the gentlemen who were so cocksure Europe would pay back all loans. We made them loans on the insistence of these Wilsonians, and now they blame the country. That is a fine alibi for those who share the European war loan guilt.

Mr. McCARRAN. Mr. President, I read the statement by the able and very well qualified Mr. Jones, who represents the money-lending power of the Government and its various agencies. I thought it was a startling statement. Yet history bears him out to a great extent, because, for some reason or other, the countries which sought and obtained money from the Treasury of this country at a time when they said they were battling to make the world safe for democracy have, since contracting those debts, had no blush when they called us Uncle Shylock. They did not falter in denouncing us. After our troops had left the fields of battle, after the Versailles Treaty had been accomplished, there was no denunciatory term to which they did not resort in describing this Government; and they have been resorting to such terms up to the present hour.

I mention the expression of Mr. Jones, to which the Senator from Minnesota refers, merely to come back to the thought which I expressed in the first instance, namely, that this is a momentous measure because, as I view it, it is an entering wedge to permit loans which may hereafter be made. They will not be under the guise of the Export-Import Bank, either, because if the Export-Import Bank of Washington sees fit to make the proposed loan, then in the not distant future some other agency will be called upon to make other loans.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BROWN. The Senator realizes that no such loans as he is now discussing could be made unless the agency, the administration, or someone came back to Congress and obtained authority to make such loans. Is not that a fact?

Mr. McCARRAN. That is true. That is the reason why I shall vote against the pending bill in its present form. I wish to nip in the bud the movement which would make it possible for agencies to come back to Congress and ask for other similar loans.

Mr. BROWN. Of course, the responsibility would be entirely ours if anyone should come back and ask for such authority. We would have the right to say "Yes" or "No," and the Senator knows that the answer would be "No."

Mr. McCARRAN. I want the answer to be "No" to begin with. Then I shall know that it will be "No" in the future. I want the answer to be emphatically "No." When I say that, may I express further myself in this wise? I do not believe there is in this country today anyone more sympathetic with the struggle that is being made by Finland than is the junior Senator from Nevada. I come from a race whose history in a small country has been marked for countless years by a struggle for individual human liberty, and it is natural for me to sympathize with every country, especially a small one, that struggles for individual human liberty and for the rights of freedom. So every drop of my blood renders sympathy to Finland.

I voted the other day for the resolution offered by the able Senator from Mississippi [Mr. HARRISON] because I thought then, as I think now, that if the American people should see fit to make individual contributions toward the cause of any foreign nation or toward any other worthy measure, they should have the avenue and the opportunity whereby they might so express themselves. So if Finland, under that resolution, saw fit to come before the Securities and Exchange Commission and ask to have its bonds legalized for flotation in this country, then, I think that the processes should be expedited. So I voted for that measure which I then thought, and think now, points to the only proper way by which the people of this country should make loans to nations abroad, namely, by individual contributions, in nowise involving this Government nor involving our neutrality.

It is not a question of a \$60,000,000 loan to Finland. If the bill should come back here in its original form, with a provision for a \$60,000,000 loan to Finland, I venture the assertion that it would receive the support of Senators who are going to vote against it today. It now bears no resemblance to such a measure. It even calls upon a different agency of the Government. The bill introduced by the able Senator from Michigan authorized the Reconstruction Finance Corporation to make a loan of \$60,000,000 to Finland. The pending bill does not mention Finland; it does not mention any other country. It simply permits an agency of the Government to lend the money of this country, the money of this Government, without regard to the nation to which the loan may be made. So we let down the bars and abdicate the authority and the power and the responsibility that is ours.

Recurring to the question propounded by the Senator from Michigan a moment ago, wherein he suggested that any application for a loan will be our responsibility, again I favor exercising our responsibility now, because it is just as important now and just as imminent as it will be 6 months from now when a greater trend of war may be upon the world.

Mr. President, I shall vote against the pending bill in its present form. While I would vote for any measure that would aid Finland in its present struggle, without involving the neutrality of this country, I say again, as I expressed myself at the time we had before us the neutrality bill, there may be sympathy for any nation that is suffering, but our greatest sympathy belongs here at home, and our Nation should so conduct itself that when sanity again returns to the warring peoples abroad, as it will return—and those peoples, subjects of tyrannous and benighted governments, are looking for a leadership—they will turn their eyes across the water to a powerful nation having democracy as its form of government, and will thank God for the judgment exercised by our people in refusing to become involved and in maintaining such a position that we may not only be the arbiter of the world's disputes but at that hour may hold aloft the torch which will guide the bleeding and torn world along avenues leading to a better civilization which will prevail for centuries to come.

Mr. President, the heart of America throbs in sympathy for Finland. America today is furnishing millions of dollars in private contributions toward Finnish welfare; but the Government of the United States, under its neutrality policy, has no business to break down that policy in the interest of Finland, or any other country, because, if we depart from that policy and lend money to Finland, then we may, with propriety, be called upon—and with emphasis, if you please—to lend money to Great Britain in the not far distant future, notwithstanding the fact that for 21 years foreign governments that borrowed from us during the years of the World War have repudiated their debts and have hurled at us the name "Uncle Shylock," even when that name was belied by the white crosses of Flanders fields, marking the effort that saved democracy, for the moment at least. Let us help Finland, but let us do it wisely; let us not lose our fortunate position; let us not drive the opening wedge; let us stand positively and emphatically for a neutrality that the world will know we actually mean and that we intend to perpetuate and enforce.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHY] to the bill.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	George	Lodge	Schwellenbach
Andrews	Gerry	Lundeen	Sheppard
Ashurst	Gibson	McCarran	Shipstead
Austin	Gillette	McKellar	Smathers
Bankhead	Glass	McNary	Smith
Barbour	Green	Maloney	Stewart
Barkley	Guffey	Mead	Taft
Billbo	Gurney	Miller	Thomas, Idaho
Brown	Hale	Minton	Thomas, Okla.
Bulow	Harrison	Murray	Thomas, Utah
Burke	Hatch	Neely	Townsend
Byrnes	Hayden	Norris	Tydings
Capper	Herring	O'Mahoney	Van Nuys
Chandler	Hill	Overton	Wagner
Chavez	Holt	Pepper	Walsh
Clark, Idaho	Hughes	Pittman	Wheeler
Clark, Mo.	Johnson, Calif.	Radcliffe	White
Connally	Johnson, Colo.	Reed	Wiley
Danahy	King	Reynolds	
Davis	La Follette	Russell	
Frazier	Lee	Schwartz	

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. RUSSELL. Mr. President, in a fight between a gangster and a law-abiding, upright citizen, every right-thinking person reacts in exactly the same way. All of our sympathies are with the victim of lawless violence. In common with the great masses of the American people, I have felt outraged at the wanton and brutal attack of the assassin Government of Russia upon the Republic of Finland. The blood of every decent person in this country or anywhere in the world has boiled at the story of the uncivilized attacks of this communistic horde upon a free and liberty-loving people. Our hearts have all thrilled to the saga of Finnish heroism in resisting this unprovoked and wanton aggression.

When I left the Senate Chamber last Friday afternoon I was somewhat confused in my own mind as to how I would vote on the pending legislation. My sympathies with those who are suffering in Finland had collided with my prior conclusion, and I was almost disposed to support this legislation, which, while it is entitled, in substance, "A bill to increase the capital of the Export-Import Bank," is really legislation to enable additional credit to be extended to the Finnish Republic. It is my custom, when I reach my office, to go through and sign my mail. I usually read every piece of correspondence that comes into my office. It so happened on Friday that I had an unusually heavy mail. A very large proportion of it consisted of letters from my State, from citizens of the United States, appealing to me as one of their representatives in the National Congress to assist them with their pressing problems. Some of the letters were from those who could scarcely write, letters written with pencil on pieces of tablet paper, evidently the tablet paper that the writers' children used in school.

A letter of a few lines said:

I am sure in need. If I don't get some help some way, I don't know what I will do. There is 10 of us in the family, and we haven't got enough to live on; and if you can help me in any way I will be more than glad.

There are a number of other letters here, of the same tenor and effect, from American citizens who have either been discharged from the relief rolls or have been unable to obtain employment on the W. P. A. Some of the letters were written by other persons with typewriters, referring to those of whom they had personal knowledge who were in dire need. The one I have before me reads as follows:

Mrs. G. is a widow supporting her aged and widowed mother, 75 years old, who has a serious heart ailment. She is without funds or income of any kind, having disposed of her furniture piece by piece to prevent starvation. Mrs. G. has been brave, and I am appealing to you to help her in her quest for employment.

There were other communications from farmers in my State who had been the victims of the unusual weather conditions which prevailed last year. One wrote that he had two mules, one of which the Farm Security Administration had helped him to purchase; that he had just been notified that the funds of the Farm Security Administration were exhausted; that no loans could be made to him; and that the Farm Security Administration was going to take these two mules away from him.

Another stated that an agency of the Federal Government—the Farm Credit Administration—was preparing to foreclose upon the writer's farm and put it on the block and sell it to the highest bidder before the courthouse door because he, an American citizen, had been victimized by unusual weather conditions and had not made a good crop.

Other letters of the past 2 or 3 days—I do not think there was one in Friday's mail—referred to the fact that the unseasonably cold weather in my State had destroyed the crop of the writers, and that they had turned to agencies of the Federal Government—their Government, if you please—and had been told that the funds of the Farm Security Administration were exhausted, that no loans could be made, and that so many restrictions and so much red tape had been bound around what we commonly call seed loans that they were not able to reach the citizen, though his distress was genuine.

Mr. President, reading those letters caused me to pause. Despite the admiration and respect we all have for the Finnish people because they have paid their obligations up to this time, no Senator would assert on this floor that when the full power of the detestable communistic Government of Russia is brought to bear on Finland, the Finns will be able to resist. No Senator would assert that there is any surety that the money which is proposed to be loaned can be repaid. The history of Finland shows that since the twelfth century the Finns have been under the domination of other powers, down to about the year 1918. It seems that history repeats itself quickly, and that the Finns are again threatened with Russian domination, as abhorrent as it is to all of us who despise bolshevism and communism.

I do not believe that the proposed loans are good credit risks. We have been told that we are faced with a period when it is necessary to economize. In a few days the Senate will have before it the appropriation for the Civilian Conservation Corps and for work relief for the coming year, cut to the bone—yea, to the marrow—by the Bureau of the Budget in the name of economy. There is pending at this very moment in the Senate Committee on Appropriations the farmers' appropriation bill for the coming year, reduced \$578,000,000 below the appropriations for the current year for the agricultural activities of the United States. In the name of economy, either at the Bureau of the Budget or in the other branch of the Congress, this appropriation has been reduced 44 percent from the appropriation for the current year for the relief of the down-trodden and hard-pressed agricultural population of the United States.

In the other body of the Congress, when an item was reached providing for an attack on one of the problems that is fundamental in the perpetuation of our institutions of government—I refer to the loans to tenant farmers, to enable them to become home owners—in the name of economy the

insignificant sum of \$25,000,000 was stricken from the bill, despite the pleas of those who know something about the sufferings of the farm tenants and the farm sharecroppers, and the farm laborers of the United States, and of their desire to own their own homes.

No doubt the people of Finland today are hard pressed in a struggle against unequal odds, but the farm tenants and the sharecroppers of my State have been carrying on with equal heroism against equally great odds, and they are told that the Government, their Government, the Government of their own country, is unable to extend to them loans which would enable them to become home owners, so that they might feel they had a stake in their own Government.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BROWN. I wish to call the attention of the Senator to the fact that when he speaks of a loan to Finland he is not entirely accurate. The loan is to be made, it is true, upon the credit of the Finnish Government—

Mr. RUSSELL. What is the difference?

Mr. BROWN. Or some corporation.

Mr. RUSSELL. What is the difference between a loan to Finland and a loan on the credit of the Finnish Government?

Mr. BROWN. The money will go to farmers and manufacturers in the United States, including the State of Georgia, whose principal product is cotton. I call the attention of the Senator to the fact that in 1938 by far the largest imports into Finland were of cotton, the principal product of the Senator's own State. If a loan is made to Finland—and I assume it will be if we enact the bill—it will mean that more cotton will be taken from the poor farmers in Georgia, of whom the Senator is talking. That money will never leave the United States. It will all stay here, and go into circulation here. What we will turn over to the Finns in return for their credit will be the products of the farms and the factories of the United States.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. RUSSELL. I decline to yield until I give some consideration to the words of the Senator from Michigan.

I have endeavored to listen carefully to the debate on the pending bill. When the distinguished Senator from Michigan opened his remarks in presenting the bill to the Senate, I understood him to make identically the same statement he has made at this time, with this exception, that in this statement he has brought it down to the cotton farmers in Georgia, whereas in his opening remarks he referred to the cotton farmers of the entire United States.

Mr. President, the Senator from Michigan has been forthright in this matter. He has been willing to stand before the world and say, "Finland, we will lend you this money on your credit, to spend where you choose for what you choose to buy." No one will quarrel with the Senator from Michigan for his views, because he expresses them openly and fairly, but I submit that it does not make any difference in the total measure of relief which will be available for those in distress in this country in the eventual workings of our economic system, whether we give the Finns goods, or whether we give them the money and they buy the goods. It is exactly the same thing. If this money shall be lost through the giving of goods, it will be just as surely lost as though the money were given.

I might further say that if we are to give away cotton goods, let us give it to those in this country who today have not adequate clothing. I have ridden along the highways of my State and seen little children standing by the roadside whose sole piece of clothing was a gunny sack made out of jute, in which fertilizer had been purchased to go on the cotton, and if I were going to give away cotton, after buying it from the cotton farmers of the United States, I would want to give it to some in this country sadly in need of adequate clothing. [Manifestations of applause in the galleries.]

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). The Chair admonishes the occupants of the galleries that the rules of the Senate prohibit expressions of approval or disapproval on the part of those in the galleries.

Mr. BROWN. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. BROWN. I again call the attention of the Senator to the fact that the bill does not contemplate a gift. Insofar as Finland is concerned, we are dealing with the one country which has proven to the United States that it will stand by its word, that it will stand by its bond, and pay its debts. We are assuming that this debt will be paid. Therefore, I think that what the Senator says about giving away our products is beside the point. Every Member of Congress understands the extension of aid will be by way of a loan.

Mr. RUSSELL. The Senator's assumption that there is to be a loan which will be repaid is one so violent, in view of the actualities in the world today, that I cannot join him in it.

Mr. REYNOLDS. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. REYNOLDS. The Senator from Michigan has just told us that we are not to make a loan. I wish to read to the Senate the words which came from the lips of the Senator from Michigan himself. On Friday last, when the Senator was explaining to us the bill providing for aid to American manufacturers, the Senator said that it was a loan. I respectfully call the Senator's attention to his explanation on page 1276 of the CONGRESSIONAL RECORD of February 9, last Friday, in which explanation the Senator said:

First. The loan must not be in violation of international law.

Second. It must not be for arms and munitions as heretofore defined by the President.

In addition to that, in his remarks to the Senate on the bill now before it for consideration, the Senator from Michigan said:

I think I can answer that question without qualification by saying that the Federal Loan Administrator, Mr. Jones, in his testimony before the Foreign Relations Committee, plainly stated that he thought that the Finns were entitled to a credit of at least \$10,000,000 more than they now have; and I have not the slightest doubt that he and the President of the United States are in accord in that respect, because the President sent a message to Congress in effect urging that we do this in order that Finland might obtain a loan.

Mr. BROWN and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield to the Senator from Michigan.

Mr. BROWN. I wish to say to the Senator that I did not think I was capable of so clearly outlining what the exact situation is as I did, apparently, in the statement which the Senator has read. As I tried to make clear, it is not a case of making a straight loan of cash to the Finnish Government. We only lend to them, as I stated in the remarks which the Senator has read, when the loan aids in the sale of our agricultural and manufactured products, under the restriction that it shall not be in violation of international law, and that it shall not in any sense be an unneutral act.

Mr. BARKLEY. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. I think the Senator from North Carolina misunderstood the Senator from Michigan a moment ago.

Mr. RUSSELL. I am quite sure he did.

Mr. BARKLEY. The Senator did not say it was not a loan; he said it was not a gift.

Mr. REYNOLDS. I beg the Senator's pardon. I was under the impression that the Senator was insisting that this was not a loan.

Mr. BROWN. I thank the Senator for bringing out the point, because I think what he quoted from my remarks last Friday clearly stated the situation as it is.

Mr. REYNOLDS. As a matter of fact, I happened to underline that because of the fact that in the debate on Friday the senior Senator from Michigan [Mr. VANDENBERG] insisted that it was not a loan, that it was merely an advance of credit, and in the argument at that time I was directing inquiry to myself as to whether this was a gift, a loan, or an advance.

Mr. BARKLEY. Of course, there is no real difference, if the Senator will permit me, between a loan and an advance of credit.

Mr. RUSSELL. Not at all.

Mr. REYNOLDS. None whatsoever.

Mr. BARKLEY. They are the same. If the Senator will permit me, while I am on my feet, I wish to say that this bill is being treated by a number of Senators as if it were a bill strictly for the benefit of Finland. The bill merely does what the President and the Reconstruction Finance Corporation and the Export-Import Bank asked us to do a year ago; that is, to increase the capital stock of the bank a hundred million dollars. Of course, at the time the matter was under consideration last year no war was in prospect, no war was thought of, and I suppose the thing farthest from the minds of all in the Senate was that Finland would be overrun by Russia.

The Senate adopted three-quarters of the request by passing a bill providing for a \$75,000,000 increase in the capital stock of the Export-Import Bank to carry out the purposes of the original act; that is to say, to facilitate the exportation of American products. While an increase in the capital stock of the bank of a hundred million dollars is asked for, only one-fifth of that amount could be used for a loan to Finland, because Finland could not get more than \$20,000,000 in addition to the \$10,000,000 for which credit has already been provided.

I think I ought to say, too, that it does not mean that that money is to come out of the Treasury. The Senator will recall that the President in his Budget message set up an item, or an aggregation of items, amounting to \$700,000,000, which might be returned to the Treasury by various corporations, including the Reconstruction Finance Corporation, which he said could return to the Treasury \$200,000,000 of the \$500,000,000 of its capital stock. When the capital stock of the Export-Import Bank is increased it will not be money taken out of the Treasury; it will be money provided by the Reconstruction Finance Corporation as and when it is needed, through the sale of its own obligations to the public, through which method it has raised most of the money it has already loaned in the way of loans to industry and for the facilitation of our exports, and only in the case of a loan on the part of the Export-Import Bank beyond its profits would the Treasury be called upon to furnish any of the money.

So the increase in the capital stock would not automatically or necessarily or theoretically make it impossible for the Congress to do exactly what the Senator from Georgia has indicated it is his desire to do, that is, to provide money with which to buy cotton, for instance, to help clothe those who are underclad in the United States. That might come out of the Treasury, or might not, depending on the law Congress may pass. But the point is that the increase in the capital stock of the Export-Import Bank, which in my view is necessary regardless of Finland, regardless of Norway, regardless of Sweden, regardless of China—although they do come into the picture—will not in any way place a burden on the Treasury, and will never take a dollar out of the Treasury, unless it becomes remotely necessary to reimburse the Export-Import Bank for any loss it might sustain.

Mr. RUSSELL. Mr. President, I had not intended to discuss the niceties of high finance by which the Senator can make it apparent that we can reach into a hat and get \$100,000,000 for the purpose of making loans to foreign governments without it being a charge on the Treasury of the United States. But regardless of the fact that we are here taking money out of one pocket of the Government, as represented by the Reconstruction Finance Corporation, and putting it into another pocket called the Export-Import Bank, to be delivered from those to still another pocket, to send credits to Finland, the fact remains, and all that the average citizen could be expected to know about his Government is that if the money is lost it will be a charge on the Treasury of the United States, and I am sure that with that statement the Senator from Kentucky will agree.

Mr. BARKLEY. That would depend on whether the aggregate losses of the Export-Import Bank on individual loans would exceed the profits. Last year the Export-Import Bank made a profit of a little more than two and one-half million

dollars. Of course, in 4 years the profit, if at the same rate, would exceed the loss of a \$10,000,000 loan, assuming that the entire \$10,000,000 was a loss.

Mr. RUSSELL. I must confess my surprise that my friend the Senator from Kentucky would resort to such specious reasoning when he speaks about the condition of a National Treasury that owes almost \$45,000,000,000, and which was compelled to put up at the outset the capital stock for the Export-Import Bank and for the Reconstruction Finance Corporation.

Mr. BARKLEY. No; only for the Reconstruction Finance Corporation.

Mr. RUSSELL. The Reconstruction Finance Corporation put up the capital for the Export-Import Bank.

Mr. BARKLEY. We provided \$500,000,000 capital for the Reconstruction Finance Corporation, which was paid in in cash to the Reconstruction Finance Corporation by the Treasury, and although the capital stock of the Reconstruction Finance Corporation is only \$500,000,000, they have loaned 20 times that much money, because they were permitted to loan at a rate of about 10 to 1 of the amount of their capital stock—probably 20 to 1 in some cases altogether, although not all outstanding at any one time. Now, the Reconstruction Finance Corporation, according to Mr. Jones' testimony, can return to the Treasury of the United States \$200,000,000 of its original \$500,000,000 capital without in any way interfering with its operations either under the \$100,000,000 capital or under the \$200,000,000 capital as provided in this bill. It is not a specious argument at all, because the public is putting up this money through the purchase of the obligations of the Reconstruction Finance Corporation. It is not coming out of the Treasury, and, as I said a moment ago, it would never come out of the Treasury, none of it, unless the losses of the Export-Import Bank should exceed its profits.

Mr. RUSSELL. Mr. President, the distinguished leader of the majority is always most persuasive. I shall not undertake to follow him through all the tortuous course of these various instruments of government that are dealing with the questions of making loans and financing exports. I am delighted to hear that some of them have made a profit. The point I wished to suggest was that the Reconstruction Finance Corporation and the Export-Import Bank would have to earn profits far beyond those mentioned by the Senator from Kentucky, far beyond even those that the most optimistic advocate of this loan can conceive of, to be able to wipe out the public debt which has been incurred as a part of a drive—of which the Reconstruction Finance Corporation is a part—to bring about recovery in the United States.

Mr. President, I am delighted to know that the Reconstruction Finance Corporation is making profits, and we have all taken great courage from that fact. I read the hearings had in the Committee on Foreign Relations, and was glad to see that the Export-Import Bank had made a small profit last year. But the Senator from Kentucky knows that even though we may keep one set of books for the Reconstruction Finance Corporation showing a profit, and another set of books for the Treasury of the United States showing a debt, that if the Reconstruction Finance Corporation, or any of its subsidiaries, including the Export-Import Bank, loses any money it will eventually be a loss of assets of the United States Government, which, while they might not come direct from the Treasury, would go to the Treasury to help wipe out the debt, or for other purposes, had they not been lost.

You cannot stand one Government agency on its bottom here and say that because that Government agency has made \$2,000,000 or \$4,000,000, that the Treasury is not operating at a deficit. We must consider all of the operations of the Government and total both profits and losses of all of its agencies and all expenditures to get a true picture. On the whole, the Government is badly in debt and any loss of money increases the indebtedness.

Mr. BARKLEY. Mr. President, of course, the Senator realizes that the forty-four-billion-and-some-odd-million dollars, whatever the amount of the Treasury debt is at

this time, is made up of many items, and that if we may assume that the Treasury borrowed all the \$500,000,000 to furnish the capital stock for the Reconstruction Finance Corporation, that is only a small percentage, about one-eighth of the total public debt. I do not suppose anyone would contend that the Export-Import Bank could possibly make enough in profits, if it had no losses at all, to make very much of a dent in the total public debt at this time.

The point I am seeking to make is that each one of these institutions stands on its own bottom as a business organization. The Reconstruction Finance Corporation is a business organization and it has made profits. The Export-Import Bank is standing on its own responsibility, and it has made profits. In addition to the financial profits it has made, it has facilitated very greatly the exportation of American products, without which they would be piled up now in the warehouses or granaries of the United States as a part of our unsalable surplus.

No one can tell in the course of 10 years whether the net result of the Reconstruction Finance Corporation's operations will be a net profit or a loss. The same thing is true of the Export-Import Bank. The same thing is true of any private bank in this country. We cannot over a 10-year period foresee how much profit it will make or whether there may be set up a loss. But taking the record up to date, I think we can reasonably assume, regardless of our sympathy for Finland or any other country, that in all probability no loan will be made to any of them or for the benefit of any of them without reasonable assurance that the loan will be paid.

Mr. RUSSELL. Mr. President, if I could share the confidence of the Senator from Kentucky that if this loan were made to Finland it can be collected, I would not interpose any special objection to this bill.

I had not intended to discuss the intricacies of the operations of the various departments of government with respect to the source from which their funds were derived. We all know that each is part of the Government of the United States, and whether you have 1 agency or 20 agencies, you must have a total somewhere of your assets and your liabilities. When our assets increase our liabilities decrease.

I made the statement earlier in my remarks that, in my judgment, this loan to Finland did not have any unusually good chance of being a collectible loan. My opposition to this measure is based upon the fact that we are here appropriating funds to loan to Finland and perhaps to other countries, for no man knows when the tides of war will rise in Europe and engulf some other small nation there which is entitled to our respect and admiration. I will not vote for any doubtful foreign-loan proposal when we are told here in the Congress of the United States that conditions are such that we cannot lend money to American tenant farmers to enable them to purchase homes, that we cannot lend money to tenant farmers with which to buy the seeds or tools with which to make a crop.

Speaking about a loan to Finland being collectible, and the fact that Finland has paid its loans to date, I might point out that for the 2 or 3 years we have made loans under the farm-tenant purchase program that more than 100 percent of the maturities have been paid. These tenant farmers have so appreciated the interest shown by the Government in their efforts to become home owners that they have anticipated their maturities and have paid back more than 100 percent of the total they had agreed to pay on their loans. The security behind those loans is a security which is tangible to my eyes—the farm lands in the United States and the faith and credit of American citizens who are striving to go ahead.

Mr. President, I shall not undertake to discuss the questions of international law that might be involved in this loan. I have had no occasion to examine the precedents involved, as I am not a member of the Foreign Relations Committee. I do know something of our experience with loans in the last war, and it was not very pleasant. I would dislike to see us set a precedent which is likely to lead to loans to other belligerents. The demand will come when the war starts in earnest. A policy of loans to belligerent nations, whether

there has been a formal declaration of war or not, is fraught with danger to the peace and economy of the United States.

I do not intend to discuss the niceties of legislative drafting, which have transformed a bill which was introduced as direct authority for a loan to Finland into one to increase the capital of the Export-Import Bank. Both bills have a similar purpose. I do not know that Mr. Jones said so in express terms, but I obtained the very definite impression from his testimony before the committees of the Senate that he would consider the passage of this bill as a legislative mandate to make additional loans to Finland. He did not say so in express terms, but I obtained that impression from the general tenor of his statement.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. Mr. Jones originally stated before the Banking and Currency Committee, whose hearings were not taken down and are not a matter of record, that without additional legislation of some kind he would not feel authorized to go beyond the \$10,000,000 already provided for credit to the corporation through which the loan is to be made and the American products are to be exported. The bill in its present form furnishes the additional legislation which Mr. Jones would regard as authority for him to make an additional loan; but throughout his testimony before the Banking and Currency Committee and also before the Foreign Relations Committee he said that the making of such a loan would depend upon conditions which might exist at the time Finland should apply for the loan. I do not recall his having suggested or intimated that he would regard this bill as a mandate for him to make the loan, regardless of the conditions which might exist.

Mr. RUSSELL. I do not mean without regard to conditions or security. Perhaps I should have used the expression that he would consider the bill as legislative approval to increase the authorizations for loans.

Mr. BARKLEY. Provided the conditions met the requirements at the time the loan was made or applied for, which would justify him or those in charge of the bank in making the loan with reasonable assurance that it would be repaid.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SCHWELLENBACH. In view of the last remark of the Senator from Georgia with reference to his interpretation of the testimony of Mr. Jones, and particularly in view of the acquaintance we all have with Mr. Jones and the care with which he acts in the matter of making loans from funds of the Reconstruction Finance Corporation, I should like to ask the Senator to permit me to read at this point from page 21 of the testimony before the Foreign Relations Committee. Mr. Jones was testifying:

Senator VANDENBERG. Mr. Jones, you have said there is not necessarily any increased credit for Finland in this bill, have you not?

Mr. JONES. I have.

Senator VANDENBERG. You said that if there are increased credits, it will depend upon subsequent circumstances. That was your language.

Mr. JONES. No.

Senator VANDENBERG. Yes; you said "circumstances." I wrote it down so that I might ask you what were the circumstances.

Mr. JONES. I did not use the word "subsequent." I said circumstances at the time.

Senator VANDENBERG. That is correct. What circumstances would govern an additional loan to Finland?

Mr. JONES. Everything that might affect the ability of Finland to repay the loan.

Senator VANDENBERG. That would be the only thing you would consider?

Mr. JONES. That would be the only thing I would consider.

Senator VANDENBERG. If you thought you were not going to get the money back, you would not make the loan?

Mr. JONES. I would not.

Senator VANDENBERG. Regardless of any other thing?

Mr. JONES. I would not.

In the light of the experience we have had with Mr. Jones and his care in the making of loans, how can the Senator say that Mr. Jones would consider the proposed legislation as a mandate and would make a loan contrary to the testimony which he gave?

Mr. RUSSELL. Mr. President, I stated that perhaps the word "mandate" was not properly descriptive, but I did obtain the very definite impression from my reading of the testimony that Mr. Jones would not make any further loans to Finland unless this bill were enacted into law. Did not the Senator from Washington obtain the same impression?

Mr. SCHWELLENBACH. It is true that he would not make any further loans. He has made commitments in excess of the \$100,000,000. He would be limited upon that basis, so he could not make any more loans. However, I listened to the testimony of Mr. Jones all the time he was before the committee; and repeatedly when he was brought back to the exact question of what the requirements would be in reference to a loan he insisted that he would make no loan unless he had a reasonable belief that it would be repaid, and that he would take into consideration all the circumstances, including the circumstances that the Finnish Government might be wiped out and be unable to repay because of that fact. I could not construe Mr. Jones' testimony, as does the Senator, to mean that he would be any less careful in making the proposed loan than he has been in connection with applications from the various States, which have been submitted to the agency in the belief that they were perfectly good applications, only to have Jesse Jones say, "No; I cannot make that loan, because it will not be repaid."

Mr. BROWN. Mr. President, will the Senator yield to me for a brief statement?

Mr. RUSSELL. I shall be glad to yield in a moment.

Mr. President, I have as high respect and regard for Mr. Jesse Jones as has any Member of this body. He has done a perfectly wonderful job in handling the lending agencies which have been under his control and direction. However, Mr. President, I do not conceive that we should legislate here on the assumption that this man or that man will forever be in control of the lending agencies of the United States. Who knows where Mr. Jones may be tomorrow? Who knows what pressure might be brought upon Mr. Jones from other sources to make loans which his better judgment told him were not safe loans? I consider that I have some small responsibility in this matter as a Senator. This legislation was brought out as a vehicle to provide a direct loan of \$60,000,000 to Finland for any purpose. I think I should form an opinion in my own mind as to whether or not a loan to Finland is a good loan. Other Senators may think loans to Finland are good. Mr. Jones might think that loans to Finland are based upon good security. I hope others are right and that I am wrong. However, my judgment tells me that a loan to Finland at the present time is not a loan with as good security as that which is being sought by American citizens today. I may be narrow in my thinking, but I do not propose to vote for any foreign loan of doubtful nature. When I see unanswered the supplications of American citizens who have good collateral for loans, Americans who are living today in the very lowest stratum of our social structure, and who have not adequate food and clothing or means with which to carry on their farming operations or the work through which they earn their daily bread, I do not propose to vote for any loans of a doubtful nature as long as such conditions exist in this country.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BROWN. I should think the Senator would be pleased to see the continuance of a governmental institution such as the Export-Import Bank or the Reconstruction Finance Corporation, because they are agencies of the Government which have operated profitably.

Mr. RUSSELL. The Senator from Michigan cannot put me in the position of attacking the Reconstruction Finance Corporation. The Senator is endeavoring to put words in my mouth, and to attribute to me a thought which I have never entertained.

Mr. BROWN. The Senator has announced that he opposes the enlargement of the capital funds of the Export-Import Bank, which, like the Reconstruction Finance Corporation, has been well managed, not only by Mr. Jones, but by the other trustees.

In this connection I should like to call attention to the exact figures. The majority leader has given the figures for the year 1939. The net profit of the Export-Import Bank up to January 31, 1940, after all expenses, including losses, is the sum of \$5,074,754. It seems to me that is a pretty good showing. Regardless of loans to Finland, or to China, or to any other foreign country, I think that when we have a Government institution which is aiding the farmer and industry, as this one is doing, and showing a profit to the Treasury of \$5,000,000 over approximately a 5-year period, that is the kind of Government institution which we ought to encourage and continue.

Mr. RUSSELL. Mr. President, my position in the matter is not as indicated by the Senator from Michigan. I have not opposed either the Export-Import Bank or the Reconstruction Finance Corporation. I have been in hearty accord with the operations of the Export-Import Bank, up until the war broke out in Europe. I still favor its negotiations with nations not at war or likely to be involved in war. I am endeavoring to maintain its splendid reputation by preventing it from making loans of doubtful value, which might wipe out the profits which have heretofore accrued. I shall not approve of any loan that is of doubtful value so long as we have so many unsolved internal problems, and large numbers of our own people who are good credit risks, but unable to obtain loans from the same Treasury which will be compelled to replenish any losses incurred in foreign loans.

Mr. CAPPER. Mr. President, before the vote is taken on the pending bill, I desire briefly to state my position.

I shall vote against the bill providing for loans through the Export-Import Bank to Finland or any other country engaged in war.

I am casting this vote not because of any lack of sympathy with the Finns in the courageous and glorious fight they are making against the unprovoked and brutal attack by Soviet Russia. I am strong for Finland, but I am voting against the bill because I sincerely believe that, if enacted, it will set the pattern for similar action later with respect to other nations.

Much as I sympathize with the plight of Finland and the Finnish people, much as I want to see them victorious, I myself feel compelled to oppose war loans to the gallant people of Finland because I do not want this Nation to engage in the business of war.

Nor do I want to take a step which I sincerely believe will finally lead to our own involvement in the general European war, which most emphatically is not our war. We have no business meddling in foreign wars. We have plenty of trouble at home to look after.

This bill really proposes that our Government shall borrow more money to make additional loans to other governments, through increasing the authorization for loans by the Export-Import Bank by another \$100,000,000. This Government is continually borrowing; it is now facing 10 years of deficit spending. We are trying to economize, to cut down our governmental spending of borrowed money for our own people, millions of whom are in need of help. Now comes a proposal to borrow and lend an additional \$100,000,000 to foreign governments. I am against it.

Mr. President, I think we have a duty to our own people, to our own unemployed, to our own distressed farmers, and to other sufferers from hard times in the United States, which is of even greater importance than rushing to the aid of nations across the ocean, who will continue to have their wars generation after generation, as they have had them for thousands of years past.

Mr. President, I am for strict neutrality as to all foreign wars, and shall continue to maintain that position. I think the Government of the United States should be striving to maintain strict neutrality instead of trying to figure out ways of becoming unneutral while maintaining the mask of official neutrality.

I shall vote "no" on the pending bill.

THE PRESIDING OFFICER. The hour of 3 o'clock having arrived, under the unanimous-consent agreement debate from this time on is limited to 20 minutes.

Mr. KING. Mr. President, the limited time at my disposal precludes a proper survey of the pending measure, together with its implications. The Communist regime, while having for its object the destruction of all bourgeois governments and the establishment of a Communist system throughout the world, has masqueraded as a supporter of peace, but it has never lost sight of the philosophy of Lenin and the purpose to overthrow all democratic institutions, and, indeed, all governments throughout the world. It has, in its subtle way, attempted to convince the people that it sought only the welfare of all peoples, but it has never disavowed its purpose to bring all peoples and all nations under Communist control. The Bolshevik government has been the enemy of liberty, justice, and democracy; it has superimposed upon the people of Russia an oppressive dictatorship and a system of regimentation which denies individual liberty, freedom of expression, and every form of independence. The Bolshevik regime is now revealing its hatred of democracy and of independent governments by attacking in a savage and brutal way a free and independent people, who have builded a fine civilization. The Bolshevik regime will not hesitate to strike any community or any government when it regards the moment propitious to the attainment of its purpose. It may speak words of peace and friendship while contemplating assaults upon communities and governments and the overthrow of democratic institutions. The brutal attack upon Finland is a manifestation of the character and purpose of Communist Russia. It sends its agents throughout the world to secretly disseminate the poison of communism and to undermine the foundations of law and order upon which democratic governments rest.

It has formed an illicit relation with Hitlerism in order to weaken, if not destroy, European nations, expecting, however, in the wreckage which might follow, communism would be pervasive in all of the conquered lands. Communism seeks to destroy, not to build; to promote war and not peace; to destroy religion and moral and spiritual values, and to superimpose in their stead a gross materialistic, Godless regime.

I fear that some peoples are not aroused to the menace of communism and to the serious consequences which would follow the destruction of Finland by the Communist Government. Communistic Russia is not fighting Finland alone; it is fighting all democratic and Christian nations, and all forces that make for world peace, unity, liberty, and justice. If Finland shall be destroyed, Stalin and Hitler will continue their brutal course seeking the destruction of the Scandinavian states. If Finland is destroyed and Sweden and Norway are brought under the control of Russia or Germany, or both, then Denmark, Holland, and Belgium will feel the heavy hand of this destructive foe.

Mr. Walter Lippmann, in an article appearing in the Washington Post of December 16, 1939, indicates the menace to democratic nations if the Bolshevik Government shall triumph in her attack upon Finland. He refers to the aid which might or should be given to Finland, and states:

For a study of the political map shows that supplies can be delivered to Finland only by passing through Norway and Sweden or across Germany. The crucial question, therefore, is whether Hitler will permit Sweden, which is Finland's next neighbor, to become the base for the delivery of military supplies, drawn from Great Britain, France, Italy, and the United States. Sweden is within the orbit of the military power of Nazi Germany. If Hitler were not a partner of Stalin's, Finland would never have been attacked. If Hitler were not seeking to make Stalin his military ally, there would be no difficulty whatever about delivering arms to the Finns. But because nazi-ism and bolshevism are allies, Sweden is intimidated. The Swedes do not dare to go fully to the help of the Finns for fear of being attacked in the rear by Hitler.

The fact of the matter is that no neutral state in Europe is safe if it is within the orbit of Hitler's military power. Only those neutrals are secure which, like Ireland, Portugal, and Spain, are behind the sheltering wall of the Franco-British power. Only those neutrals are sure to be defended which, like Belgium, Holland, Switzerland, Greece, and Turkey, are within the effective reach of the Franco-British power. This is the fundamental fact out of which arise the issues of the war.

In my opinion the bill before us does not adequately meet the views of the American people. This great democratic Nation is profoundly interested in the cause of democracy

everywhere. In its discharge of its duty as a neutral it is not forbidden to sympathize with the downtrodden and oppressed, and with nations struggling for their liberty against brutal aggressions. We are justified in adopting policies and measures to aid the valiant and heroic people who are fighting for the preservation of their country. In rendering aid such as this bill provides or to make loans and grants to Finland, we are not violating international law. Finland is not a belligerent within the meaning and intent of our present neutral legislation, and it is the measured opinion of experts in international law and in jurisprudence that in extending credit to Finland we would not contravene any international obligations resting upon us. The bill before us, as I have indicated, does not adequately meet the situation nor does it fully express the views of the American people. They are practically unanimous in the view that the danger to democracy and civilization by the assault upon Finland is so great that this Nation as well as other democratic nations should give prompt aid—financial and otherwise—to the brave and valiant Finns who are, as has so often been said, standing at Thermopylae, holding back oriental hordes, the enemies of democratic nations and the principles of justice and liberty.

In all democratic countries there is a rising tide of indignation against Stalin's brutal and indeed cowardly attack upon a brave, progressive, and Christian people. They see in this attack upon Finland evidence of the implacable purpose of the Communist Government to destroy independent nations and to bring peoples of the world under its control.

I have referred to the fact that there is universal sympathy for Finland among all democratic peoples. I am reminded that the people of Hungary are greatly concerned over the Communist assault upon Finland, and in a recent circular letter, which was issued by the Bench of Bishops of the Hungarian Lutheran Church on December 14, 1939, reference was made to the "Russian giant" and its efforts to destroy the Finnish nation. I quote from the circular referred to, as follows:

The joy of advent, the season of preparation for the birth of Jesus Christ, has been disturbed by the appalling events taking place in the far north. The "Russian giant," ironclad from head to foot, has set forth to destroy one of the finest and bravest peoples, the little Finnish nation. With sledge hammer raised to strike, the giant is preparing to deal a blow under which churches, cultural institutions, and family altars will collapse in ruins. The Finnish nation holds the standard of the Gospel aloft and puts its trust in the mercy of God made manifest therein. The civilized nations of the world, aghast and filled with righteous indignation, watch the stage where the curtain threatens to rise on a historical tragedy in which godless Soviet Russia's 185,000,000 inhabitants are preparing to trample to death the God-fearing Finnish nation of three and a half million souls.

If time permitted, I would read into the Record statements by Stalin and Bolshevik leaders concerning the world program of the Communist government. Orders have been given by Stalin and Bolshevik leaders as to the methods to be pursued by Communists in this and other lands with the view of undermining existing governments and of sowing seeds of communism. The philosophy of bolshevism does not rest alone upon Karl Marx, but it finds some roots in the Russian character. Before the rise of bolshevism the Russian people possessed grandiose views as to the future and ambition of Russia. Imperialistic ambitions envisioned an empire from the Carpathians to the Pacific Ocean; but the Bolsheviks are not satisfied with an empire so extensive—they seek world domination, and this they hope to accomplish by dividing nations and groups in order that there may be a fertile field for communism and for communistic control. It has been said that the "red" empire of today has followed the imperialistic views of the Czars and it now extends from the Carpathians to the Pacific Ocean; and it is thrusting its hand into central Europe, thus threatening the overthrow of western civilization as a whole.

Symptomatic of the present condition of European civilization is the confidence and indeed the audacity with which the Communists now boldly proclaim their views. I read from the current issue, November 18, of the Comintern Journal, World News and Views, as follows:

"A specter is haunting Europe—the specter of communism," wrote Marx and Engels in 1848. "All the powers of old Europe have

entered into a Holy Alliance to exorcise this specter; Pope and Tsar, Metternich and Guizot, French radicals and German police spies."

Communism, no longer a specter but clothed in Soviet flesh and blood, is again haunting Europe in this period of the second imperialist World War. Its frontiers were advanced in eastern Europe within 3 weeks of the war breaking out; not a step is taken by the warring imperialist powers without having to take into account the power of the Soviet Union and the revolutionary spirit of the international working class.

Senators will perceive the spirit and ambition of Communist Russia in the declaration that communism is "no longer a specter but clothed in Soviet flesh and blood." It boasts of its triumph in conquering a large part of Poland within a limited period; and it declares that the power of the Soviet Union must be taken into account in all international affairs.

In the time of the czars Moscow was to be the third and last Rome, but today Moscow is to be a "red" capital of the "red" Soviet empire. The boundary of the Soviet Union has swiftly moved forward more than 250 miles, until now it overlooks Europe's western wall, the Carpathians.

No one familiar with Russia, with the teachings and views of the Bolsheviks, can doubt the unalterable and fixed purpose of Russia to weaken all nations, and to ultimately destroy them so that upon their ruins the communistic rule may be imposed.

When I had the floor a few days ago I referred to a visit I paid to Russia, and to the views expressed to me by Bolshevik leaders, that the mission of the communistic regime was to destroy the capitalistic system, and religion, and democratic governments.

Mr. President, Finland has not declared war upon any country, and Soviet Russia has not declared war upon Finland, although she is waging a brutal and murderous campaign for the destruction of the Finnish Government, if not the annihilation of the Finnish people. Finland is a civilized nation. She is in the position of a member—a highly respected member—of the family of nations, whose home has suddenly and wantonly been invaded by a brutal criminal. Her children have been assassinated by bombs from marauding airplanes; her modest property has been overrun by an organized band of international revolutionaries; and her churches, shrines, and fireplaces have been stained by the blood of heroic sons who preferred to die in their defense rather than submit to the cynical and criminal ultimatum of the aggressor.

Let us therefore hear no more of the protest that any aid to Finland of a practical and defensive nature would be a violation either of international law or of neutrality. If international law should even prevent a strong man from coming to the assistance of an innocent sufferer who is defending that same law, it seems to me it should be consigned to the realm of forgotten issues. If neutrality means that Soviet Russia can commit the unprovoked and brutal aggression of which it is now guilty and then say to the United States, "You shall cooperate in my iniquity by refusing to exercise your sovereign right to deal with one of your friends," then, I say, the neutrality law should be modified to meet the humane, progressive, and Christian views which ought to prevail in a civilized world.

In many European countries the attack upon Finland is regarded as a warning to all democratic nations. There is a growing conviction that Finland is defending not alone her own people and her own borders, but the cause of democracy, liberty, and justice in every part of the world. I am convinced that the unprovoked attack of Soviet Russia on Finland is a blow at the very heart of every ideal maintained and cherished by the American people. In Finland there existed no substantial minority, appealing to another nation to come to their assistance, as Hitler was able to allege in the case of Sudeten Germans of Czechoslovakia. Here was no Polish Corridor, cutting a part of Germany away from the motherland. Here was no Treaty of Versailles, giving rise to accusations of injustices and impossible conditions imposed by victorious Allies. None of the pretexts which existed in the German case can be found to bolster up or extenuate the unwarranted and fantastic claims of Moscow against the peaceful, progressive, and cultured people of Finland.

The attack, then, is not leveled against a given government, but at liberty itself, at decency itself, and at the very heart of international law. We on this continent who enjoy freedom unassailed and live under the shadow of a Bill of Rights which guarantees every individual against every usurpation of tyranny are liable, at times, to grow callous and indifferent to the destiny of liberty elsewhere. But justice is an indivisible attribute descending from Divinity; and when it is assailed and wounded in any part of the world, it is menaced and endangered in every part of the world. If Finland falls, then the Scandinavian nations will next come under the shadow of the outstretched hand of bolshevism, which will then be advanced hundreds of miles nearer western civilization. And let it never be forgotten that every mile of advance is one mile reduced in our own security and immunity from danger. What is at stake is not a narrow strip of land lying far away in those Arctic wastes but that intangible and precious thing in defense of which American blood has been poured out from Lexington and Bunker Hill to the last American soldier who fell in the World War. Let me remind the Senate that the present invader of Finland has more than once included the United States of America in its eventual program.

Mr. President, I am not now arguing for any involvement of the United States in the European conflict as it is being waged on the western front. In fact, I believe that America's best contribution to world peace and restored sanity will come from her ability to face the uncertain future, strong, alert, and unweakened by the exhaustion that would be consequent on actual warfare. But this determination, which is widespread among our people, should not blind us to the vital issue now being resolved on the eastern front. There, a colossus, devoid of any of those legal or moral controls which characterize an upright government, has sought to advance its atheism, its tyranny, and its revolutionary objectives at a moment when the rest of the world was engaged in an absorbing struggle in the West.

Aid to Finland therefore should be considered on its own merits and as involving no dangerous precedent with respect to the belligerents of western Europe. What is attacked in Finland is international law, basic justice, and Christianity itself. Every ideal and every canon of international relations and international conduct has been flouted and contemptuously ignored by the Soviet Government. Consequently, the usual considerations arising from international good manners and legal obligations have been forfeited by the aggressor in this case. It is the very height of cynicism for the aggressor to make appeal to the protection of international law and the neutrality psychology, while, at the same moment, he is utilizing every device of modern warfare to destroy international law, international justice, and human decency.

Financial aid to Finland in a form that will enable them to repel this attack leveled at international law is, consequently, no violation of international law, but rather a support of and a vindication of international law.

The Government of the United States in the past has adhered to many international conventions, such as the Kellogg Pact, designed to remove from humankind the horrors of warfare. Finland also has adhered to the principles embodied in that pact. Assisting Finland to uphold her word of honor is neither violation of international law nor of neutrality, but is a practical extension of the intent and purposes of the Kellogg Pact. No government can justly complain if the United States decides to render aid and assistance to another government which is heroically striving to maintain the spirit and letter of the international peace to which this Government is traditionally committed.

I have heard with some surprise the various arguments against financial aid to Finland, particularly those which counsel caution and tender treatment of Soviet Russia. The record of that Government, in its attempts to overthrow every other peaceful government through the Third International, which it organized and protected, has canceled out the ordinary considerations which would prevail in the case of other treaty-respecting powers. A government which has

not only violated its treaty obligations but seeks to crush a government which does respect law has no further claim on such a tender attitude as has been adopted in certain quarters in the United States if not elsewhere.

That was the judgment passed on Soviet Russia by the League of Nations in its recent session, when it expelled Soviet Russia as an international criminal, and urged every member of the League to throw its weight to the defense of the treaty-keeping power now suffering from the treaty-breaking power. That such defense of international law is no violation of law, of prudence, or of decency, is the official attitude of the governments constituting the League of Nations.

Practical assistance to Finland, therefore, is practical support of the traditional policy of the United States respecting the pacific settlement of international disputes. Millions upon millions of money have been expended in this country, and hundreds upon hundreds of organizations have pledged themselves to the extension of international peace through international law. Would it not be a triumph of the forces of illegality for all such instrumentalities to retreat and remain dumb when a practical case comes before the world? This acid test is the light in which this problem should be examined.

Finland, in her negotiations last autumn, showed herself ready and perfectly willing to submit her case to the tribunal of impartial adjudication. She made every concession to Moscow that was consonant with her national existence. Her offers were all spurned and contemptuously rejected. When invaded, she interposed her own body against the tyranny of injustice. Once again, within the past few days, she has offered the Soviet Government a pacific settlement of all outstanding disputes. The only answer she has received has been from the skies, in the form of a murderous bombardment which has killed hundreds upon hundreds of innocent men, women, and children. To answer her request for a defense loan which will enable her to obtain the means for upholding international law against this most outrageous violation of international justice is neither a breach of neutrality nor a step toward involvement in a European war.

As a sovereign state, at war with no one and at peace with us, Finland has suggested that she obtain a loan. She has scrupulously paid every preceding debt, and we have every reason to believe she will pay this one. She asks no dispatch of American troops to Europe, no hostile demonstration against the Soviet Government. I, for my part, do not see how we can decently refuse this exercise of our own unthreatened sovereignty in support of the invaded sovereignty of law. No case in modern history shows more merit or greater emergency.

That this is the growing opinion of the great masses of the American people is becoming increasingly clear from many popular reactions. Thus I have learned from those who have exerted themselves to obtain relief funds for Finland that many persons, deeply sympathetic with the Finns, are refusing to contribute to the humanitarian organizations because a sense of reality makes them prefer to contribute arms and ammunition. These typical Americans are the last to wish to have America involved in a foreign war, but they are the first to recognize the things that lead to growing injustice and growing brutality. In consequence of this popular reaction, a new organization has recently been founded in New York to receive from the people contributions which may be used for the purchase of weapons of defense, not of aggression.

The Congress may well take note of this widespread reaction throughout the rank and file of our people by approving a loan which will aid Finland in her fight for existence and for the cause of liberty and justice in all the world.

Mr. WHITE. Mr. President, I am unwilling to have this matter disposed of without making a matter of record the conclusions I have reached concerning the proposed legislation.

Mr. President, this bill is offensive to me in its confusion of issues. It presents to us a question of foreign policy and it also requires of us that we vote upon questions of domestic policy and domestic principle.

The bill proposes a vast increase in the funds of the Export-Import Bank. It raises the question whether there shall be a limitation upon the amount hereafter loaned to any country. It presents the issue of whether loans to a foreign country, the amounts, terms, and conditions thereof shall be in the discretion of an administrative branch of the Government.

Mr. President, I am reluctant in the extreme to increase the loaning powers of this bank at this time. The testimony is that the bank has already made loans to and upon the credit of 56 nations scattered over the earth. I am hostile to enlarging at this time the ability of the bank to make loans of the same character to the nations of the world. I am wholly opposed to lodging in an administrative agency of the Government the power so to employ the funds of our people.

I wish this were a bill patterned after its original text, authorizing a direct loan to Finland, without limitations or restrictions upon the use thereof. If the bill were so framed, we would know what we were doing, and the world would know. That certainty is wholly lacking in the amended bill.

Mr. President, I must accept the features which I criticize if I am to vote aid of any sort or of any degree to Finland.

In the course of the discussion, beyond the question of basic policy, two principal objections have been urged against the Finnish loan in the existing circumstances. It is insisted that such a loan would be a violation of neutrality. I am not impressed by that contention. The rule is universally recognized that one nation may aid another nation not at war by loans or otherwise, and our country has asserted the right of a nation to lend even to a belligerent for the purchase of food supplies and of raw materials.

Mr. President, may we lend to Finland for unrestricted purposes, as the bill in its original form proposed? The answer to be given depends upon whether Finland is a belligerent or not. Is Finland in fact and law a belligerent at war with Russia? It is certain that neither the President of the United States nor the Congress has found a state of war to exist involving the security of this country as contemplated in appropriate circumstances by the 1939 Neutrality Act. It is also true that the President has not, independently of the 1939 Neutrality Act but within the sweep of Executive powers, declared Finland to be at war and this Nation to be a neutral in that war.

I ask, If neither the Congress nor the Executive has declared Finland to be at war; if we may continue to ship to her implements of war and all other products of America; if for purposes of trade and commerce we may continue to regard her as a neutral nation, why must we regard her as a belligerent when the question of a loan to her is under consideration? What basis in reason can there be for holding Finland to be a neutral on the one hand and, on the other, hold her to be a belligerent nation?

What other authority than our own attitude is there for the contention that she is not de jure at war? Russia has formally and officially declared that she is not at war with Finland, and Finland in turn has assured our Government that she is not at war; and no neutral nation in all the world has recognized a state of war to exist between these two countries.

When both parties to the alleged state of belligerency declare that they are not at war we have the undoubted right, whether we believe the truth to be as they say or not, to accept their denial of war and to adjust our conduct to the elected status of the two nations. We can, without justified complaint from either and with proper regard for international law, regard and deal with each as a nonbelligerent, as each declares itself to be, and we shall not be breaching our neutrality in conforming our relationship and our acts to the legal status asserted to exist by the powers directly involved.

Mr. President, if we may lend for unrestricted purposes, as I believe we may, we may certainly lend as is now proposed without violation of our neutral obligations.

It has been suggested and urged also that to make a loan to Finland would violate our Constitution. I do not agree with this view. It is true that the Constitution contains no express authority for such action; but I do not overlook the fact that money has been loaned by our Government to persons, to corporations, and to foreign nations for the stimulation of our export and import trade. There is no express constitutional sanction therefor, but the right has not been challenged. Much greater doubt exists in my mind as to our authority in this respect than as to our right to lend to aid Finland in her present circumstances.

The Constitution does confer upon Congress the power to levy taxes for the common defense, and by necessary implication to spend the money so raised in any way which makes contribution to that defense. If we believe that the overrunning of Finland by communistic hordes threatens our fundamental concepts of government and of man's rights, if we believe that invasion of Finland puts in jeopardy our institutions and the perpetuity of those principles which are the distinguishing and the sustaining force of the Republic, then the question of our right to act by a loan or otherwise is affirmatively answered.

In my view, Finland's struggle against barbarous, cruel, and despotic power will be the subject of heroic stories told to generations yet unborn. Finland is writing one of the great epics of history. I would have our country, by loan or by gift, aid her, for in so doing we shall be making cause with civilization, with the freedom of mankind, and we shall be making contribution to the defense and the welfare of these United States.

Mr. President, I shall vote for the pending bill.

AMENDMENT OF DISTRICT CODE RELATING TO MURDER

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 186) to amend section 798 of the Code of Law for the District of Columbia relating to murder in the first degree.

Mr. ASHURST. I move that the Senate disagree to the amendments of the House; ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KING, Mr. VAN NUYS, and Mr. NORRIS conferees on the part of the Senate.

LOANS TO FINLAND

The Senate resumed the consideration of the bill (S. 3069) to provide for certain loans to the Republic of Finland by the Reconstruction Finance Corporation.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHY].

Mr. ADAMS. Mr. President, there are a few comments I wish to make on the proposed legislation. I feel somewhat compelled to do so by reason of the fact that, as a member of the Committee on Banking and Currency, I voted to report the bill now pending, and further consideration of the measure and of the circumstances has led me to a conclusion somewhat different from that I entertained during the consideration of the measure in the committee.

The Johnson Act of April 1934 prohibits, under a penalty of not more than 5 years in the penitentiary and a \$10,000 fine, the purchase or sale by any citizen of the United States of bonds or securities of any foreign government which is in default in the payment of any obligation due to our Government.

No bar was placed by the Johnson Act against a citizen of the United States buying or selling obligations of a foreign government. South American nations, I think, with perhaps a single exception, are in default upon bonds and obligations due to citizens of the United States aggregating some \$3,000,000,000. We make no prohibition against the United States making loans to a country which is in default to our citizens, though we forbid the making of loans to a nation which is in default on its obligations to our Government. In other

words, we place the obligations due to our Government upon a different plane from the obligations due to our citizens.

It seems to me that we should, if we can, reconcile these things, and apparently the only reconciliation is that one set of obligations relate to Europe and the other to South America. I think we should harmonize them. I think that if we are to stop dealing with a European country which is in default, we should stop making loans to a South American government which gives no more regard to its obligations.

The Neutrality Act was passed to preserve our neutrality in wars between foreign states and "to avoid involvement therein." We had two purposes in the passage of the Neutrality Act. We wished to avoid any contact which might result in conflict with any warring nation lest such nation should become hostile to us and involve us in war. Our other object was to prevent citizens of the United States becoming interested in a foreign war through the making of loans to a foreign nation, or the extension of credit. We wanted to prevent arousing the emotions of our people. These two things were involved in the Neutrality Act. We forbade citizens of the United States exercising rights long recognized under international law, in order to accomplish the preservation of our neutrality in fact, and the prevention of any possibility of war.

These are some of the offenses we specified which would lead to the imposition of the penalty provided:

First, if a citizen sells or delivers any materials to a belligerent except upon a strict cash-and-carry basis.

Second, if he or his ship enters a combat zone as defined by the President.

Third, if he travels on any vessel of a belligerent.

Fourth, if any American ship arms itself.

Fifth, if a citizen purchases, sells, or exchanges obligations of a belligerent issued after the date of the proclamation of the President.

Sixth, if he extends credit to such belligerent or its representatives.

Seventh, if he solicits any contribution on behalf of a belligerent or one of its agencies, except for medicinal assistance, food, or clothing.

As I see the situation, if nations are at war in fact, will they any less resent aid and assistance given to their enemies even though the President has not issued a declaration that they are at war? Will the citizens of the United States be less inspired to take a partisan interest in a war if they make loans and extend credits to a belligerent, when no war has been found to exist by the President, than if war were declared to exist?

It seems to me that if we are to carry out the main purpose of the Neutrality Act, which is to keep our country out of war, we cannot make a sound distinction between two nations which are in war according to the finding of the President, and two nations which are at war in fact.

What are the facts? There is one war in Europe with Germany on one side, and England and France on the other. There are now waging two other wars. The war between England and France and Germany has been recognized by the President. The war between Finland and Russia, and the war between Japan and China are two unrecognized wars in which a hundred times more men have been killed and more property has been destroyed than in the conflict between the nations which are technically at war.

It seems to me we were very unwise in not following the spirit rather than the letter of our neutrality law. It seems to me that the purpose of the Neutrality Act—to keep the United States out of war—would be better served if we as a nation recognized the existence of actual war. If our Neutrality Act is sound, let us apply the same plan to actual existing war, even though it is not proclaimed by the President. In the extraordinary session we were obviously unwilling to invite the hostility of Germany. We heard much about submarines, and sabotage, and things that might happen if we violated certain rules of neutrality.

Do we seek the enmity of Japan and of Russia? Why should we not mind our own business in February as well as in September?

Mr. President, I am interested in my country. I am interested in its welfare. Technically we, as individuals, can extend aid to Finland and to China, as was pointed out by the very able Senator from Georgia, who would adorn either of the two highest places in our public service. There may be exceptions, but the generally accepted principle is that a nation may not lend money to a belligerent. It is contrary to the general principle of international law. By the Neutrality Act we have prevented our citizens from lending money to a belligerent, but we are now proceeding with a plan whereby the Government may lend money to a belligerent.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BROWN. I do not think the Senator is correctly quoting the Senator from Georgia when he implies that it is the generally accepted rule of international law that it is unlawful to loan money to a belligerent.

Mr. ADAMS. I said for a nation to lend money to a belligerent nation.

Mr. BROWN. Yes. I do not think the Senator from Georgia said that.

Mr. ADAMS. Then I will exonerate the Senator from Georgia, and say that that is the statement of Moore in his work on international law.

Mr. BROWN. I wish to read what the Senator from Georgia said—

Mr. ADAMS. I am speaking under a limitation of time.

Mr. BROWN. Then, I will not ask the Senator from Colorado to yield. I had forgotten about the time limit. However, I simply call attention to the fact that the Senator from Georgia said that this bill does not, in his opinion, contravene international law.

Mr. ADAMS. In my judgment, we cannot evade international law through the use of corporations of this country, and corporations of China, or corporations of Finland. The loans we propose to make are government loans to governments, and my understanding of international law is that we may not make loans to a belligerent. Now we are dealing with belligerents, not declared to be such by the President, but belligerents in fact. International law antedates the Presidential proclamation under our Neutrality Act and renders unneutral the lending of money by one nation to belligerents.

Again, Senators, I think from our standpoint that war in fact is the thing for us to keep in mind. I think we should not regard merely the technical situation. We are all impressed by Finland and its brave defense of its rights, but no less urgent calls for help came from Ethiopia, which we did not answer; came from Poland, which we did not answer; came from Czechoslovakia, which we did not answer. We suddenly take up a just cause. But if the United States is to become a knight-errant, if it is to become a Don Quixote in the international field, let us count the cost and regard the consequences.

Mr. WAGNER. Mr. President, will the Senator yield for an interruption dealing with the question under consideration?

Mr. ADAMS. If the Senator will have regard for the fact that I am trying to hurry through in the time allotted to me, which is limited—

Mr. WAGNER. I wish to address myself to the very subject as to whether Finland may be regarded as a belligerent under international law.

Mr. ADAMS. I do not care anything about the technical situation. Russia says she is not at war. Finland says she is not at war.

Mr. WAGNER. And under international law she is not a belligerent. That is the point.

Mr. ADAMS. Very well. I am speaking of nations who are fighting each other. I do not care how they may be termed. When there is a controversy between two nations,

even though it be called by some other name, and people are killed by the thousands and the tens of thousands, I think it is time for the United States of America to keep its nose out. We have sympathy for Finland, yes; we are hopeful that Finland may win; we are hopeful that China may win; but the United States has its own interests, and, as the great man who first led this country said, "Europe has a set of primary interests" in which we should not become involved.

I think that if we allow our sympathies to carry us away we will do injury to our own country. I am fearful of that. One friend among men is worth a dozen enemies. One friend among nations is worth a dozen enemies. Why should we deliberately affront two nations—Russia and Japan—whether we approve or disapprove of their conduct? If we aid those with whom they are engaged in conflict, they are bound to resent it. They are not concerned with the technical definitions which we may have put into our laws.

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. ADAMS. Certainly.

Mr. CONNALLY. Let me ask the Senator a question. The Senator says "put into our laws." Is not the proclamation of the President concerning the Neutrality Act simply a method of determining when the regulations under that act shall go into effect? The proclamation of the President simply recognizes the actual state of war, and then puts into effect the Neutrality Act.

Mr. ADAMS. Does the Senator doubt there is an actual state of war in Finland?

Mr. CONNALLY. Certainly not. I do not think anyone in the United States does.

Mr. ADAMS. And can the President by withholding the proclamation keep it from being an actual state of war?

Mr. CONNALLY. Certainly not. But, of course, the proclamation puts into effect the Neutrality Act.

Mr. ADAMS. The proclamation is a means by which the rights of the American citizens are suspended.

Mr. CONNALLY. That is all.

Mr. ADAMS. As a matter of fact, we have suspended the rights for which thousands and thousands of American boys gave their lives. I can vision the spirits of Washington and Jackson looking down upon a great nation and contemplating the surrender of those rights. The Congress has done it, and I am willing to abide by its action. But I say that if we do those things in connection with one conflict, let us be consistent; or if we do not believe in the Neutrality Act, let us repeal it. Why should we render aid to Finland and to China and refuse to render aid to Canada, our great neighbor on the north?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BARKLEY. Admitting for the sake of argument or for any other sake that an actual war—

Mr. ADAMS. "Argument" is an entirely sufficient reason for me to have such an admission made.

Mr. BARKLEY. Admitting that there is a state of war between Russia and Finland, does not the Senator agree that two other conditions must exist to justify the President in proclaiming such a state of war, to wit, that the peace of the United States is endangered by that conflict and that the lives of American citizens are endangered? All three of those conditions must come together in order to justify or make it possible for him to issue a proclamation.

Mr. ADAMS. I will say to the Senator from Kentucky that if we render aid to belligerents I think the lives of American citizens are being endangered and the welfare of the United States is being endangered, and that the obligation of making that decision rests upon us, the Members of the United States Senate. I think that if we intervene in any way, directly or indirectly, to help one belligerent we jeopardize the peace and welfare of the United States and the safety of its citizens.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. ADAMS. Certainly.

Mr. BARKLEY. The President cannot issue a proclamation on the theory that a loan we may make will endanger the peace of the United States or the lives of the people of the United States. He must find that the state of war which exists endangers the lives of our people.

Mr. ADAMS. I am not at all concerned about the proclamation of the President. I am talking about facts as they exist in the world today. War exists. What shall we do? I am saying that under whatever guise we proceed, if we render aid to one belligerent we invite the enmity of the other belligerent, and incite in the breasts of the American people those emotions which may sweep us into war.

America has its own troubles. Time after time I have worked in committees and have stood on the floor of the Senate and asked Senators to restrict the funds for beneficial agencies in the United States because of the financial troubles in America. How could I stand on the floor of the Senate and ask the Senate to restrict aid or assistance to American citizens or agencies, and at the same time say, "We have millions enough to make loans abroad"?

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. PEPPER. Does the Senator think it would aid American economy, particularly the export business of the United States, if such nations as Russia should gobble up the little nations of Europe?

Mr. ADAMS. Mr. President, if the United States should become involved in war it would mean disaster to the people of the United States. I am more concerned with the welfare of American boys, American mothers, and American families than with export trade.

Mr. PEPPER. The reason why I confine the question to dollars and cents is that the Senator was talking about having been on the floor of the Senate and pleading for economy in dollars and cents.

The PRESIDING OFFICER. The time of the Senator from Colorado on the amendment has expired.

Mr. ADAMS. I will take time on the bill.

Mr. PEPPER. Does not the Senator recognize that the kind of world this is to be is, to a considerable extent, to be determined by settling the question of whether or not the sort of thing Russia is now doing to Finland may be carried on with impunity in what purports to be an orderly and civilized world?

Mr. ADAMS. I will say to the Senator that from the experience of the past few years I think the Senator and I and other Senators cannot prevent the ravages of war in Europe. The aggressor and the oppressor will ravage the soil of Europe and of Asia. What I am interested in is that we shall preserve upon the continent of North America a place where democratic institutions may flourish, and where we may conduct our own business in our own way; and I am unwilling to have our country do anything which would involve us in European problems, regardless of our sympathies.

Mr. PEPPER. I do not wish to take any further time of the Senator. Will he yield for one more question?

Mr. ADAMS. Certainly.

Mr. PEPPER. If the French nation had not interested itself in a certain situation a long time ago, democracy perhaps would not be flourishing in this country today as it now is.

Mr. ADAMS. I will say specifically to the Senator, who voted for the Neutrality Act, as I did, that if the policy of the Neutrality Act had been in effect from 1776 to 1783 there would have been no United States of America, because it would have prevented loans from France to the United States. However, there is another phase to those loans. We tried to obtain some loans from another section of Europe and were refused. In view of this particular controversy I suggest that the Senator check up on some of the countries which refused loans to the United States in its distress.

Mr. President, as I was saying, I have no objection to the Export-Import Bank making loans to American industries to

carry on an export business; but I have yet to be persuaded that the Export-Import Bank, which is the United States, should make loans to foreign governments in order that they may buy of American industry—not only make loans to foreign governments and their agencies, but agree with the American exporter that if the foreign buyers do not pay for what they buy, the United States Government will stand anywhere from one-half to all the loss. I am willing to lend money to the Baldwin Locomotive Co. so that it may manufacture and sell locomotives to Mexico if it does not have the capital; but why should the United States lend money to Mexico to buy locomotives from the Baldwin Locomotive Co. and pay for them if they are not paid for by Mexico? That is not a profitable kind of export business if, instead of making the margin of profit the exporter makes, we lose 50, 75, 85, or 100 percent of the cost of the export or the loan. Therefore I am not enthusiastic about increasing the capital stock of the Export-Import Bank, which has been engaged in making what are actually foreign loans to South America. It is said that it made a profit. It also has a \$6,000,000 loan to Poland which has not yet been entered on the books; and there are other loans. I think the theory is not sound.

However, that is not the point. The point is that we propose to make a loan through the Export-Import Bank to belligerents. The bill before us has the history of its purpose written on its face. No matter what amendments we may adopt, the history is on the face of the legislation. We cannot increase the capital of the Export-Import Bank and say, "We are increasing the capital merely for general export purposes." We started out to make a loan to a warring nation. I am concerned with the consequences to ourselves.

As I see it, the American horizon is already dark with threatening storms. The soothsayers are busy explaining away the darkness and the evil portents. In some slight recognition of facts, the Congress is reducing appropriations. Many activities have had to be reduced because deficits continued and debts increased. We should not give away money or make precarious loans to foreign nations when money is needed at home.

One further word. My obligation is at home. I am interested in the success of the oppressed nations and those against whom aggression is leveled. My sympathies take me with the bill. My judgment takes me the other way. I think my obligation as a Senator and as a citizen requires that I follow my judgment as to what is for the welfare of my country. I shall vote today, not for Finland, not for China, but for America. I do not want our people involved in foreign wars. I want our boys—my boys—kept at home.

Mr. REYNOLDS obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. REYNOLDS. Certainly.

Mr. BARKLEY. Only 1 more hour of discussion remains before we vote. The agreement on Friday to limit debate beginning at 3 o'clock today fixed the limit at not more than 20 minutes on any amendment and not more than 20 minutes on the bill, which makes a total of 40 minutes. I think it might be well further to limit debate from now on. I ask unanimous consent that during the remainder of the consideration of the bill no Senator shall speak more than once or longer than 10 minutes on the bill or any amendment. That would permit a total of 20 minutes if any Senator wished to occupy that much time. Without such an arrangement it is possible that only one or two more Senators could be heard.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. O'MAHONEY. Mr. President, reserving the right to object, I ask the Senator from Kentucky what the purpose of the request is. Only an hour remains.

Mr. BARKLEY. The purpose of it is to enable more Senators to make brief remarks. Under the present arrangement any Senator taking 40 minutes, which he could do, would

consume all but 20 minutes of the time, and probably only two speeches could be made. The suggested arrangement would enable a larger number of Senators to discuss the bill.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. PITTMAN. There is another difficulty with regard to amendments. The amendment offered by the Senator from Connecticut [Mr. DANAHER] is now pending. No other amendment may be offered until that amendment is disposed of. Therefore a Senator may not discuss his own amendment until it is in order. It seems to me that we are consuming the time in which Senators might be able to discuss their own amendments.

Mr. BARKLEY. I wonder if the Senator from North Carolina [Mr. REYNOLDS] would be willing to vote now on the pending amendment.

Mr. REYNOLDS. Certainly.

Mr. BARKLEY. In the meantime, I should like to have my request passed upon.

Mr. JOHNSON of California. Mr. President, the original agreement on Friday last was that after 3 o'clock today no Senator should speak longer than 20 minutes.

Mr. BARKLEY. The RECORD shows an agreement for a limitation to 20 minutes on the bill or any amendment, which, added together, make 40 minutes.

Mr. JOHNSON of California. I do not care what the RECORD shows. The agreement was to limit debate to 20 minutes after 3 o'clock. Each Senator was to have the right to speak for 20 minutes after 3 o'clock.

Mr. BARKLEY. The Senator is mistaken about that—

Mr. JOHNSON of California. I may be mistaken, but I do not think so.

Mr. BARKLEY. For the request was put in the usual form, which is always that no Senator shall speak more than once or longer than 20 minutes on the bill or on any amendment thereto. That is the way it was put, or that is the way I intended to put it. Probably it would have been better to have limited debate to 10 minutes then, but, anyway, that is what I am trying to do now. Under the rule, the Senator has just seen the Senator from Colorado, after he had spoken 20 minutes on the bill, speak a portion of another 20 minutes on the amendment.

Mr. JOHNSON of California. I wonder why?

Mr. BARKLEY. Because he had a right to do so.

Mr. JOHNSON of California. He had a right under the agreement made?

Mr. BARKLEY. Yes.

Mr. JOHNSON of California. If the Senator says that was the agreement, very well; but I would not cut down the limit now to 10 minutes for the few Senators who may desire to speak.

Mr. BARKLEY. That will give twice as many Senators an opportunity to speak as would be given if there were no further limitation. The Senator from North Carolina desires to address the Senate now.

Mr. JOHNSON of California. Does the Senator from North Carolina expect to speak for 10 minutes?

Mr. REYNOLDS. I expect to speak for 20 minutes, but if I can finish in less time than that I will be very glad to do so, as, perhaps, other Senators may desire to speak.

Mr. BARKLEY. If each Senator consumed the full time he might consume under the modified arrangement, only three Senators could speak between now and 5 o'clock.

The PRESIDING OFFICER. The Chair may state, for the benefit of the Senate, that eight Senators still desire to be heard, if that has any weight on the situation.

Mr. McNARY and Mr. BARKLEY. Question!

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BARKLEY. Now, I suggest that the Senate vote at this time on the pending amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the junior Senator from Connecticut [Mr. DANAHER].

Mr. DANAHER. Reserving the right to object, I wish I could be allowed 5 minutes on the pending amendment. Then I would be willing to have a vote.

Mr. BARKLEY. The amendment of the Senator from Connecticut is the amendment which we have been discussing all day. If the Senator wants 5 minutes on his amendment, some other Senator might want 10 minutes against it.

Mr. PITTMAN. I should like 5 minutes against it, if the Senator from Connecticut is to speak further for it.

Mr. REYNOLDS. Mr. President—

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. REYNOLDS. Mr. President, on Friday last I listened with a great deal of interest to the debate in this Chamber, including what the able junior Senator from Wisconsin [Mr. WILEY] had to say. At that time he discussed very intelligently and in a most scholarly manner the question whether or not in making this contemplated loan we would be violating international law or would be acting contrary to the Constitution of the United States. Insofar as I am concerned, I am not considering whether it would be a violation of international law or whether it would be contrary to the Constitution of the United States. I am against this loan because, as my distinguished colleague the senior Senator from California [Mr. JOHNSON] has frequently said, I am of the opinion that it would unquestionably put us further on the road to war, for we are already on the road to war, having bought shares in the war of Asia and having made a purchase of stock in the war that is now raging in Europe.

I likewise listened with a great deal of interest to the very glowing and eloquent words that fell from the lips of our distinguished and beloved colleague the senior Senator from Maryland [Mr. TYNINGS] when he stated that, so far as he was concerned, he would support the pending bill and vote to let Finland have an additional \$10,000,000. I gather from his remarks that he is going to vote for the bill to let Finland have \$10,000,000 in order that the Finns may utilize that amount in fighting communism, which is spreading over the face of the earth. The Senator from Maryland described very vividly, in eloquent words, the distressful things that have been taking place in Russia, the murder of thousands upon thousands of priests, the destruction of churches and cathedrals, the starvation several years ago of from 3,000,000 to 5,000,000 people in the Russian Ukraine and in the vicinity of Odessa, on the Black Sea. Insofar as his opposition to communism is concerned, I stand in accord with him 100 percent.

Then, this afternoon it was my privilege, as always I consider it to be a privilege, to listen again to the able senior Senator from the great State of Utah [Mr. KING]. I agree with him in every single word he had to say in condemnation of communism and of that murderer, the greatest murderer the world has ever known—Joseph Stalin. I wish that the able Senator from Maryland and the able Senator from Utah could go further with me and say, in fighting danger, in wiping out a scourge, in destroying that which eventually will destroy us unless first we destroy it, namely, communism, that we should begin cleaning house here at home, that we should destroy communism in the United States of America before we attempt to send dollars abroad to any foreign country to destroy bolshevism and communism there. Our duty is first to the American people; our duty is first to the 130,000,000 patriots of this great country of ours; our duty is first to protect the people of the United States of America; our duty is to destroy communism and all other such damnable isms within the confines of the United States before we become so charitable as to want to destroy communism in other countries with the dollars produced by the sweat of the brow of the American taxpayer. Have we communism here? We all read. Thank heaven we may. In view of the fact that my time is limited I shall not consume any of it by reading the press reports I have before me, but here is

one that I clipped the other day from the columns of the Washington Times-Herald entitled—

YOUTH PARLEY OUSTS TWO IN ROW ON "REDS"

Two of the anti-Communist block were carried out of the meeting bodily, while the third, Archibald D. Roosevelt, stalked out in anger.

Two patriotic youths of America, in a gathering 4,000 or more strong, beneath the shadow of this Capitol, were fighting communism in the ranks of the youth of America, and what happened? Here, within a stone's throw from the point where we now sit, the two American youths defending the American form of government, two courageous young men of our own land, preaching the doctrines of our form of government, were kicked bodily out on their ears by the young Communists of America—a shame and an outrage. If we want to fight communism, let us fight it here at home before we spend the dollars of American taxpayers abroad.

I have another clipping before me from the same publication under the headline—

Youth Congress ejects delegate; hails Communists.

In the article it is stated:

F. Stephen McArthur, president of the Kearny (N. J.) Young Democrat Club, was ejected from the Citizenship Institute of the American Youth Congress last night when he attempted to introduce a resolution calling for expulsion of the Young Communist League and its "red" front groups from the youth organization.

He was kicked out bodily and the police of the Capital—the Capital of our country—had to rescue him from the Communist youths there who bodily ejected him from that meeting.

I am against communism; I have been fighting it for years, and I say that there are too few of the American people who are fighting communism in this country today. If we are going to spend any money in fighting communism, as some want to do, let us spend that money here where our own people are in danger and not send it abroad. In speaking of sending money into communistic territories, I repeat at this juncture that we bought stock in the war in Asia; we bought that stock in the war in Asia when we loaned China \$25,000,000. Despite the fact that we are all in sympathy with the great masses of the 400,000,000 or 500,000,000 Chinese, we know that China is an ally of Russia, and every time we send a dollar to China we are aiding her Bolshevik ally, the worst enemy that we have upon the top of this earth.

By the way, I understand that another \$25,000,000 is to be loaned by the Export-Import Bank; and this time, instead of buying tung oil, we are buying tin. If we want to carry out our good-neighbor policy, of which we speak so much here and elsewhere, instead of buying tin in China to aid the Communists, let us cast our eyes westward and then southward, and buy tin from the country of Bolivia, which is in a position to furnish it to us, just as good, and in quantities just as great.

Speaking of communism, the Dies committee—which has done more than any other organization we have ever known to uncover the reptile-like activities of communism in this country—revealed the fact that last year the Communists sent here more than \$10,887,000 and distributed more than 88,000,000 pieces of literature, with a view to destroying the American form of government.

Earl Browder, the leader of the Communists in this country—recently convicted of passport frauds, and sentenced to a term of 4 years and a fine of \$2,000—had the gall and the audacity to announce himself as a candidate for a seat in the House of Representatives; and, lo and behold, despite the fact that he had been discredited, despite the fact that he stood at the bar of public opinion as a criminal, having been convicted in the Federal courts, that man, who openly declared before the Dies committee that if war should come between the United States and Soviet Russia he would endeavor to stop it if he had to go to such lengths as to bring about a civil war, a revolution in the United States—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. REYNOLDS. I beg the pardon of the Chair. I did not start speaking until 3 minutes after 4.

The PRESIDING OFFICER. The Senator has 10 minutes on the amendment.

Mr. REYNOLDS. Oh, I thank the Chair very much. I now have 10 minutes on the amendment?

The PRESIDING OFFICER. Yes.

Mr. REYNOLDS. Mr. President, although Browder stood as a convicted criminal in the eyes of the American public, and had been sentenced, and although he had declared that if war should come between Russia and the United States he would create a revolution in this country to stop it, he secured 3,000 votes in the city of New York. I say the place to stop communism is right here in our own United States.

Mr. President, this bill is designed for the purpose of making a loan to Finland. Nobody will deny that statement. If you do not believe it, read carefully every word of the debate which took place in this Chamber last Friday.

Mr. President, if we want to help Finland there is one way in which we can do it. If we want to help Finland, let us quit helping Russia. Russia is sending into this country millions of dollars of gold for which we are paying \$35 an ounce, though it costs her only \$3 an ounce to mine it and ship it to market.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. REYNOLDS. In that connection, at this juncture I ask that there be published as a part and portion of my remarks a newspaper clipping dated New York, February 9—last Friday, when we were debating this subject—entitled "United States Exports Help Russia Fight Finns. Vast War Stores Moving via Siberia."

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

UNITED STATES EXPORTS HELP RUSSIA FIGHT FINNS—VAST WAR STORES MOVING VIA SIBERIA

NEW YORK, February 9 (C. T. P. S.).—While Congress belabors the issue of our continued recognition of Soviet Russia as funds are being raised in the United States to help Finnish noncombatants, and to buy arms for the beleaguered Finns, American copper in swelling quantity, tools, dies, and machines are being routed to Siberia, much of it in Norwegian ships, destined for the use of the "red" army.

Paradoxical as the situation is, shipping circles today conceded the truth of this in general terms.

SHIPPED VIA MEXICO

In a steady and growing stream, ships flying American flags and the flags of neutral countries are carrying copper ore, copper concentrates, and some finished forms of copper, as well as other industrial and technical material to Vladivostok. They sail from New York, Baltimore, San Pedro, Seattle, and Tacoma.

Much of the cargo is shipped only to Manzanillo, Mexico, a generally sleepy west coast port that has burgeoned into an important crossroads of the sea within the last few months.

Manzanillo, seamen say, has become a focal point for this trade in the sinews of war. Into its roadstead glide the rusty, barnacle-encrusted merchant ships of the fleet that flies the hammer and sickle. There they take in the cargo of those ships that cannot or will not make the long crossing to the coast of Siberia.

NEARLY AROUND WORLD

The disruptive character of the war in Europe and of the Allied blockade has made it necessary for these heavy shipments nearly to circumnavigate the globe. From New York, they pass through the Panama Canal; are transhipped, if necessary, at Manzanillo and then make the long crossing to Vladivostok.

From there they are carried overland on the trans-Siberian railroad into the industrial sections of European Russia and, so, to the front in Finland.

Only last Wednesday the Russian freighter *Kim* discharged \$5,600,000 in gold bullion at San Francisco, a risky venture made necessary to replenish her commercial balances in this country. America is selling for cash.

The *Kim* will head down to Manzanillo to take on bulk cargo for the return to Siberia.

PURCHASES UP 17 PERCENT

With her in this service are steamship *Minsk*, the steamship *Vladimir Mayakovski*, and the steamship *Frederich Engles*, all of them nearly obsolete. Old as they are, they can carry cargo more cheaply than chartered foreign bottoms can, so they are being pushed to the limit to make as many trips as possible.

The *Mayakovski* sailed yesterday from the California port of San Pedro for Vladivostok with a cargo of 5,000 tons of copper ingots and other metals which she picked up at Manzanillo.

Manzanillo's emergence as an important shipping point came at the same time Russia's purchases of copper started to climb in this country.

Last November the Soviet purchases increased 17 percent.

SOME SHIPPED DIRECT

Shipments of the red metal from the smelting plants at Tacoma have gone direct to Russia. Ten ships loaded at the Tacoma docks in the last 20 days of January. As none of these shipments was destined to Manzanillo, it is apparent that copper from both the east and west coasts is moving in a steady stream direct to Russia. Much of the copper from the Atlantic seaboard, however, is from Chile and other neutral countries, shipped here under bond in crude form and refined before transshipping to Russia.

The White House really is embarrassed by the arrival in this country of Russian gold. Through its gold-buying policy this Government is helping to finance the Russian war against Finland and the Japanese war against China. Japanese shipments of gold to this country have paid for about \$300,000,000 worth of war goods.

Real reason why the Treasury continues to buy Russian gold is that the Government is powerless to keep the Russians from sending their yellow metal here except by banning all gold imports from any nation. Soviets could easily sell gold to a neighboring country for remelting, thus eliminating telltale Russian mint stamps. The metal would then be resold to the United States, but without any Russian identification marks.

Mr. REYNOLDS. The harbors in California are filled with the ships of Soviet Russia, which are bringing here their gold and selling it to the American Treasury, and thereafter they buy war supplies for the purpose of killing the Finns.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I will yield if the time required is not taken out of my time. I have only about 8 minutes, and I hope the able leader will pardon me.

Mr. President, we are inconsistent. Let us see. This body lifted—I did not, by my vote; I voted against it—the arms embargo upon instruments of death. I voted against it. We are engaged in manufacturing implements of war. We of the United States are the greatest manufacturers of instruments of death of any nation upon the face of the earth. We are selling millions upon millions of dollars' worth of them. Since the lifting of the embargo, my recollection leads me to believe that we have sold to the French about \$122,000,000 worth and not quite so much to the British. We are proposing a loan to Finland of \$10,000,000. Inconsistency! But we say to the Finns, "We will let you have \$10,000,000, but we will not let you use a penny of it in buying the implements of death that we are manufacturing for the British and for the French for the purpose of killing the Germans and the Russians." The Russians are buying arms. They are buying our supplies to be used in murdering the Finns; and although we are the greatest manufacturers of instruments of death of any country upon the face of the earth, we say to the Finns, "If you get this \$10,000,000, you cannot use a penny of it for the purpose of buying arms."

Mr. LUNDEEN. Mr. President—

Mr. REYNOLDS. The Senator will pardon me. I have only a minute.

Mr. LUNDEEN. I wish to call the Senator's attention to an article—

Mr. REYNOLDS. I can see the headlines from here. The Finns are complaining that American airplanes are being used to kill their people. Is my eyesight good or bad?

Mr. LUNDEEN. And shells and bombs.

Mr. REYNOLDS. And shells and bombs.

Mr. President, there is published in North Carolina a newspaper called the News and Observer. It is owned by Hon. Josephus Daniels, the President's appointee as Ambassador to Mexico from our Republic. In an editorial entitled "Money, Then Men," published on February 8, 1940, his son says:

MONEY, THEN MEN

The Senate Foreign Relations Committee has approved an increase of \$100,000,000 in the capital of the Export-Import Bank in order to provide additional loans of \$20,000,000 each for Finland and China.

Undoubtedly most Americans are deeply sympathetic with both Finland and China. But not many Americans are ready to go to

war with Japan or Russia or both of them. Yet obviously any loan out of the American Treasury to belligerent nations, regardless of the roundabout way it may go through corporations, is the entry of American resources on the side of some nations in wars in which the other nations on the other side cannot be blamed if they regard such entry as an unneutral act against them. We will not only be fighting for Finland and for China with our money, we will also be fighting against Japan and against Russia with our money.

If the United States does not wish to go to war, it had better not start fighting with its money. If we send our money to fight, it may not be long before we will have to send our men.

He is right.

Another editorial from the same newspaper is as follows:

ON THE WAY TO WAR

If, as Senator KEY PITTMAN says, there is "the greatest desire on the part of the administration" to make a loan in the midst of war to Finland or China, or both, Americans, who wish to serve oppressed peoples in the world far away from home, might well look at the map of the world.

There is such a thing as balance of power. It was disturbed when the old enemies, Russia and Germany, joined each other in Poland. And not even Russian failures in Finland have destroyed the effect of that new, strange alliance. Now the United States at the same time undertakes to act to aid the underdog enemies of both Japan and Russia. These two big, bad countries have been irritated neighbors and enemies but under equal pressure from the United States, they might become friends as quickly as Germany and Russia did. Certainly some people in and out of office in the United States seem anxious to put them under the same pressure from the United States of America. They may succeed only in pressing them together as allies in the east. And it is in the east that America seems most threatened with trouble. Our chances of getting into a war there grow better every time an admiral or a world-saving statesman opens his mouth.

This is a time for people to consider not merely small loans but vast consequences. Let this war spread under our tending to a fighting in which Russia and Japan are drawn together and drawn together as they would be on the side of Germany, and we shall have a world war, indeed. Even if Russia is the inept giant the Finns have made it seem to be, in such a combination with a militant Japan and a militant Germany on each flank, nobody can count its power. Certainly nobody can measure the dimensions of the troubles the United States might have to assume alone in the east for which a hard-pressed England and France would have few forces to spare.

Some Americans may be ready to risk such a war. All Americans should be aware that we are risking it in every unneutral, provocative act against Russia and against Japan. And every assistance to Finland and China in this present world is an act in assistance against Russia and Japan. No American needs condone the brutal ruthlessness of Russia against Finland or Japan against China any more than Americans condoned the rape of Ethiopia by Italy or the aggression of the British against the Boers. But an America, which has often and complacently, if sadly, contemplated indefensible aggression against little peoples by every one of the powers on both sides in this war, ought not to stir to a special militancy in special cases at a time when war is spreading in the world unless it contemplates entry into the full tide of war on this earth.

Increasingly the choice of America becomes imperative. We must choose official neutrality or naked war. We are only self-deluded when we act in pretension that we can go so far and no further, that we can put money to fighting but never men. A violent logic is at work in the world. The little step provides the basis for the big one. The bloody concluding act grows inevitably from small beginnings.

At this moment the United States seems on its way into war, and it will move on that way inevitably unless the American people call a halt to the little acts which will in accumulation take us headlong into the full tragedy of universal war. We cannot have our peace and put our money to war; we must choose between our security and our sympathies.

If we have money to give away, let us give it to the American people, as suggested by the able Senator from Georgia [Mr. RUSSELL]. We have in this country today, according to the latest report I clipped from the columns of a United States newspaper, more than 11,000,000 persons out of employment. In addition to that, we have 23,000,000 persons who are employed only part time. In addition to that, we have 300,000 persons in the C. C. C. camps. In addition to that, we have about 3,000,000 persons on the W. P. A. pay roll. In addition to that, as we all know, there are about 4,000,000 persons in the employ of all the respective subdivisions of Government of the United States; and on the question as to whether or not our people are in need, let us see.

Only a few days ago the attention of the Members of this body was called by leading characters in this community of

ours to the fact that disgraceful conditions exist within the confines of the District of Columbia. They gave a vivid description of the deplorable conditions existing at Blue Plains. Millions of persons all over the United States are starving, ragged, undernourished, without proper shelter, and then we say we are going to give away more money; we are going to finance somebody else. Why do we not take care of our own?

Mr. LEE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I am sorry that I cannot yield, if the Senator will pardon me. My time has almost expired.

The Washington Daily News of Thursday, February 8, contains a picture of a mother and her two little sons. Her husband is on W. P. A. at \$15 a week. They are undernourished; and she is so poor that she cannot buy milk for the children. They are starving, and she is advertising to the world that she wants somebody to take them and raise them. I cannot have the picture published in the CONGRESSIONAL RECORD, but I ask that the article be published.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

ANYONE WANT MY SONS?

COLUMBUS, OHIO, February 8.—Mrs. Fred McNeil, wife of a W. P. A. worker, offered yesterday to give away the two youngest of her five sons so they might have better food and care than her husband's income provides.

Mrs. McNeil said she and her husband had decided to give away their sons, Wilbur, 6, and Paul, 4, if a good home could be found. "They are good looking boys," she said. "Somebody should be glad to get them."

The other McNeil children are Fred, 14, who weighs only 69 pounds; William, 12, whose school teachers recommended he have more milk, and Herbert, 7.

Another son, Gerald, 2, died last spring of bronchitis, rickets, and undernourishment.

Because of weak legs, Paul is just beginning to walk.

The McNells said their income never exceeds \$15 in any week and that there is never more than \$7 a week for food after other bills are paid.

Mr. REYNOLDS. There are millions of children in the slums of the country, some of whom are shown in the picture I have here, entitled:

'These youngsters are growing up in the squalor of a metropolitan slum.

Here is a picture of sharecroppers down South, entitled:

Drought-made Dust Bowl refugees of this American family now "on the loose." It, like hundreds of others, roams from the Pacific coast through the Wheat Belt and into the Southwest, "following the harvests." Hunger and exposure are often fellow travelers.

Speaking of the District of Columbia, I obtained a copy of a Washington newspaper of Friday, January 5, commenting upon the starving, the undernourished, and the unfortunate here in the District of Columbia. I ask that it be published in the RECORD. I am sorry I have not any more time to discuss this matter.

The PRESIDING OFFICER. Without objection, the article referred to will be published in the RECORD.

The article is as follows:

RELIEF TO FOREIGNERS

As one of your regular readers, I am very much interested to note that you have published a series of articles on the subject of welfare in the District of Columbia. I feel sure your discussions point the way to methods of making the dollars contributed—sometimes with at least some small sacrifice—to worthy welfare projects reach more fully their intended objectives.

I am becoming more and more curious to understand why, in the face of so much unrelieved suffering from poverty, sickness, and unemployment everywhere in our own country, which individuals and Government seem to be failing to substantially overcome, a great many people are being urged to contribute to funds for relief in the remaining parts of the world—war-torn though they be.

My reference to this does not grow out of the slightest lack of sympathy but, rather (possibly), a lack of understanding of facts. An example of what I have in mind is the Committee for Urgent Relief for France, discussed by the Poe Sisters in the Times-Herald of February 3.

If there is a proper place in your paper for discussion of my thought, I feel sure it would prove interesting to a very great many of your readers.—B. B.

Mr. REYNOLDS. Mr. President, in closing I want to say that when we made the first loan to Finland, immediately after they began their war, we bought our first share of stock in the European war; and when we made the first loan to China, we bought our first share of stock in that war.

I hope peace will soon come; but what chance is there that that will happen? Very little. I am glad Mr. Sumner Welles went abroad for the purpose of trying to stop the war. The newspapers said he went there to call for peace. The newspapers said he went there for the purpose of asking the world to disarm; and what inconsistency. The very idea. We are the laughing stock of the world to ask the world to disarm when we are the very ones who are bringing about more armament of the world than any other nation upon the face of the earth, selling millions upon millions of dollars of such instruments.

We lifted the arms embargo to help the Allies. We are selling munitions to England and France. We insist upon making a loan to Finland for the purpose of helping her, but we defeat that purpose by refusing her the sale of munitions which she needs more than anything else.

While selling arms to Europe, we are now insisting that an arms embargo be placed in Asia. We are thereby insisting upon one foreign policy for Europe and another for Asia. We are telling the Finns to whale hell out of the Russians, but at the same time we will not provide them with anything with which to do the whaling. We are giving lip service to the Finns, and giving material service to the Russians by buying their gold and providing them with war materials. We are further aiding the Russians by making loans to their allies, the Chinese, for handling the Japs, to keep them off Great Britain while she is busy in Europe. We are looking wise while speaking dumb, and speaking wise—maybe—while looking dumb. We are blowing hot and cold at the same time. We say "Yes" and "No" at the same time. We have destroyed our chance to aid in world peace because we are not neutral. We send Sumner Welles to Europe to secure peace, and after the war to reduce armaments, while we are supplying the armaments. Why not reduce armaments now, before the killing is done? Why wait to take the gun away from the murderer after he has committed the crime?

Mr. President, I ask that the other articles which I send to the desk be placed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

THE NEW ESTIMATES OF UNEMPLOYMENT

As the barometer shows, latest estimates place the total number of unemployed at 9,400,000—only 4 percent below the level of a year ago.

December and January have been busy months for manufacturing industries. As a consequence, factory employment increased by almost three-quarters of a million. Other nonfarm industries put on another 500,000.

Over the same period, however, from 500,000 to 600,000 new young persons have entered the labor market. At the same time farm employment has declined. The result is that unemployment has been reduced only fractionally.

A. F. OF L. ESTIMATE CLOSE

This unofficial estimate is furnished by the Department of Commerce.

Of the other available estimates of unemployment, that of Boris Shishkin, chief economist for the American Federation of Labor, is in closest agreement with the Department of Commerce. Mr. Shishkin's latest estimate fixes the number of unemployed at approximately 9,370,000. The C. I. O. unemployment division estimates 10,000,000 persons currently unemployed.

NEUTRAL TALKS LAUNCHED; WELLES NAMED "ENVOY"

(By Doris Fleeson and Fred Pasley)

A drive for world peace was launched yesterday by President Roosevelt in two separate and decisive moves:

One. Formation of a powerful antiwar bloc among neutral nations undertaken by the State Department.

Two. Appointment of Under Secretary of State Sumner Welles as the administration's "Colonel House" to confer with governmental heads of Germany, France, Great Britain, and Italy.

CONVERSATIONS BEGUN

Couching its momentous announcement in the careful language of diplomacy, the State Department disclosed conversations between

this country and neutrals had already begun and would shortly be extended to all nations at peace.

These talks, the announcement continued, are in the nature of preliminary inquiries relating to a sound international economic system, and at the same time world-wide reduction of armaments.

Then, in a gesture of amity to nations at war, the announcement concluded: "These conversations can, of course, be extended to belligerent nations insofar as they involve these two common problems of future peace."

If Adolf Hitler indicates the slightest desire to see Sumner Welles, Under Secretary of State, Mr. Welles will visit the German dictator to sound out his ideas on peace. President Roosevelt is hopeful that a basis for peace can be found before fighting really gets under way in Europe.

The public will soon be told of a good-neighbor plan to buy Bolivian tin. American officials are making arrangements to expand this country's imports of Bolivian ore. The White House and Army think it would be smart politics and smart defense to buy tin ore directly from Bolivia and smelt it here.

Mr. WILEY. Mr. President, in the debate on this bill on February 9 the distinguished Senator from Utah [Mr. KING] mentioned appropriations by Congress to pay \$25,000,000 to Denmark for the Virgin Islands and appropriations to pay Colombia for the alleged wrong in seizing what now constitutes the Panama Canal Zone, previously a part of Colombia's territory. He stated that there was no specific constitutional authority for those payments, and that, so far as he knew, their validity had not been challenged.

The purchase of the Virgin Islands and the payments made for Panama Canal Zone rights are not analogous to loans by our Government to the governments of nations at war. The United States has the constitutional and international law right to buy and acquire rights in foreign territory (*Downes v. Bidwell* (182 U. S. 279), *Wilson v. Shaw* (204 U. S. 24).) It has done so repeatedly since 1803—in the Louisiana Purchase from France that year, the Gadsden Purchase from Mexico in 1853, the Alaska cession by Russia in 1867, the Panama Canal Zone payments to Panama and Colombia, and the Virgin Islands purchase from Denmark in 1916. These purchases involved the acquisition of additional territory as part of the national domain. They were part of the national expansion program of the United States to round out its continental territory and national defense. They were valid exercises of the constitutional powers of Congress under the authority of the treaty-making power—article II, section 2, clause 2. Every appropriation authorized by Congress to acquire foreign territory was made pursuant to preexisting obligations undertaken in a treaty between the United States and a foreign country. These treaties between the United States and France, Mexico, Russia, Panama, Colombia, and Denmark were a valid exercise of the treaty-making power. They involved a legitimate exercise of that power under the Constitution as matters of international concern. They were equally valid under international law. No question of war and neutrality was involved.

There is no treaty at present between the United States and Finland which imposes on the United States any obligation to make a loan to Finland. No territorial purchase by the United States from Finland is contemplated. The analogy of the proposed loan to territorial purchases has no relation in fact or in law.

From a legal standpoint a loan by the United States, a neutral Government, to Finland, a belligerent, would violate both the Constitution and international law.

There is no constitutional authority for Congress while the United States is at peace to authorize a loan out of the Treasury or from public funds to a foreign government except under the treaty-making power.

The treaty-making power arises under and is limited by the Constitution, which provides that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur"—article II, section 2, clause 2. While the Congress may not be in a position to take certain action under the Constitution in the absence of a treaty, it may have authority under a properly negotiated treaty to take the same action. It

has been held by the Supreme Court that the powers of the Congress under a properly negotiated treaty regarding a legitimate matter of international concern are modified according to the provisions of such treaty in order to enable the United States to carry out its international obligations (*Missouri v. Holland*, 252 U. S. 416; 1920).

On the other hand, if the United States Government were prepared to become an ally of the Government of Finland and enter the present European war on the northern flank, the factual and legal situation would be entirely different. When the United States is at war the Congress has the power to use the national credit for the national defense, and, if necessary, to make loans to foreign governments who are allies of the United States. Under the war powers in the Constitution, the United States, during the World War, made extensive loans to foreign governments. It will be recalled that the only authority under the Liberty Loan Acts to make loans out of the Treasury to the allies of the United States was for "the national security and defense and for the purpose of assisting in the prosecution of the war."

The Liberty Bond Acts authorized the Secretary of the Treasury, with the approval of the President, to establish credits in favor of foreign governments engaged in war with enemies of the United States, and, to the extent of those credits, to make advances to such governments through the purchase at par of their respective obligations. Under this authority, loans were made during the war and after the armistice for the purpose, in general, of enabling the respective governments to meet commitments made in the United States in connection with the prosecution of the war (Treasury Department, memorandum covering the indebtedness of foreign governments to the United States and showing total amounts paid by Germany under the Dawes and Young plans, March 1, 1939, pp. 1-2).

Under the provisions of the Liberty Loan Acts, the Secretary of the Treasury was authorized to make loans to the Allied governments only out of credits established in their favor with the approval of the President before the declaration of peace. (Rathbourne, Assistant Secretary of the Treasury, foreign affairs, April 1925.)

When the war between the United States and Germany was officially terminated on April 2, 1921, no further credits were extended to foreign governments, although two cash advances under credits previously extended were thereafter made to Czechoslovakia and Greece to settle outstanding war commitments. The sorry story of default on the war loans is too well known to be reviewed here. The total unpaid indebtedness, principal and interest, as of December 15, 1939, was \$13,345,045,673.56, over one-fourth of our total staggering national debt.

Mr. JOHNSON of California. Mr. President, I am taking the privilege accorded to every member of the committee to say that when I voted to report the pending bill, when it came before the Committee on Foreign Relations, I did so with the distinct understanding that I should do exactly as I pleased when it came upon the floor. I am now taking that privilege.

I wish to have printed in juxtaposition the bill as it came to us from the two committees, and the bill which ultimately we evolved, which is now before us. I want to print them so that every man here may understand that what was originally a bill for the relief of Finland was transmuted by the clever hands which wrote the subsequent bill into a measure for the relief of the Export-Import Bank of Washington.

The first bill, the so-called Brown bill, for which I had a great deal of sympathy, and for which I would rather vote than the particular bill now before us, read as follows:

That the Reconstruction Finance Corporation is authorized and empowered to make loans to the Republic of Finland in an aggregate amount not exceeding \$60,000,000, for the purpose of enabling the Republic of Finland to finance the purchase of such articles and materials (whether or not such articles and materials are the growth, produce, or manufacture of the United States or any of its Territories or possessions) as it deems necessary. All such loans

shall be made on such terms and conditions as the Federal Loan Administrator shall prescribe.

SEC. 2. In order to provide funds to carry out the purposes of this act, the amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered under section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time is hereby increased by \$60,000,000.

That is a straight bill. It announces the purpose that was in the minds of probably nine-tenths of the Members of the Senate and of many of the people of this country. It provides for a loan to be made to Finland, a loan of \$60,000,000, and around it were no such conditions as are about the particular measure which confronts us today. As reported by the Committee on Banking and Currency, the bill read:

That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1), by striking out "\$100,000,000" and inserting in lieu thereof "\$200,000,000"; and (2), by inserting before the period at the end thereof a colon and the following: "Provided further, That the aggregate amount of loans to any one borrower outstanding and authorized at any one time shall not exceed \$30,000,000: Provided further, That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

The bill now under consideration provides:

That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1), by striking out "\$100,000,000" and inserting in lieu thereof "\$200,000,000"; and (2), by inserting before the period at the end thereof a colon and the following: "Provided further, That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof which are hereafter authorized to be made and are outstanding at any one time shall not exceed \$20,000,000, and such amount shall be in addition to the amount of loans heretofore authorized or made to such foreign country and the agencies and nationals thereof: Provided further, That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

The title was amended so as to read: "A bill to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes."

There is not in the bill before us a single word about Finland. All the tears we may shed over the unhappy situation of the people of Finland, all the encomiums we may offer in behalf of the bravery of that people, all that we may say in praise of the citizens of Finland, is apart from the particular measure which confronts us. There is not a word said in this measure about loans to Finland, how they shall be granted, when they shall be granted, or what shall be done in relation to them. Everything is left to the discretion of one man, a capable and a very brilliant man, doubtless, but all is to be left to his determination. He even says to us in his testimony given before the Committee on Foreign Relations that he does not know how much he will lend to Finland. If he thinks they are entitled to \$10,000,000 and can repay that amount, he perhaps will lend them that much. He will ask them to come back subsequently. There is not anything in relation to this whole subject matter except the giving of \$100,000,000 more to the Export-Import Bank of Washington.

Why is that? I will not pretend to say, although I have before me the letter written by the President upon the subject. But I assume that because those who framed the bill were limited by the President's letter, because the letter was phrased in such a fashion that they did not desire to run counter to it, the bill came to us from the Banking and Currency Committee in the form to which I have referred.

Keep in mind in all this discussion that no one, in a bill, asks that money be appropriated for Finland, no one, in a bill that is presented to us, asks for a certain loan to Finland. All we would do is to say that the Export-Import Bank should have \$100,000,000 more with which to transact its business, or do as it might see fit.

Mr. Jones, the head of the Export-Import Bank, says that he will make a loan to Finland of probably \$10,000,000, he

does not know the amount with certainty, but he will make a loan to Finland, and he will do subsequently as he determines, having regard to whether that loan can be paid or not. So the amounts we have been discussing today, the very things with which we have dealt concerning Finland's loans, are out of the window, and all we have before us is a proposal to increase by \$100,000,000 the capital stock of the Export-Import Bank, a portion of which we hope will be loaned to Finland ultimately.

Mr. President, this is a contest between the head and the heart. In his heart every man in this body wants Finland to win. Every man in this body who has a spark of manhood in him, and people all through this country desire that loans or aid shall be given to Finland, and all of us alike have but one mind—to aid Finland if we can do it, and do it with no peculiar consequences to follow thereafter, and, from a long-range view of the circumstances, without any harm to this country of ours.

It would be crippling to a man's intellect, it seems to me, to argue the technicalities of whether or not war exists in Finland today. In view of the peculiar way in which some people have argued on this floor about the existence of a war in that part of the world, it would be a work of supererogation in which we should not indulge. I will not indulge in it while I am talking. Whether a war exists or not is a question of fact, and who can say that that question of fact has not been determined in Finland?

Will anyone tell me that no war exists there because Russia slyly says "No war do we have," and because Finland follows and says, "We are not at war"? With men dying in temperatures of 30 to 40 degrees below zero, other men being blown to pieces by artillery and by bombs from airplanes, with the women and children suffering as women and children always suffer in warfare, am I to be told that no war exists? Upon that sort of stuff I would not make a finding in relation to any matter.

No war exists in Finland? Read the dispatches received every day. That is all one need do, read about what is taking place in Finland, read of the men in white uniforms fighting, fighting, fighting. Read of all of those transactions, of the shot and shell, and everything that accompanies warfare that is real, and then say to me that there is no war in Finland because the people of Finland have said there is no war, and the Bear, smiling, guilefully says, "We are making no war upon Finland."

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The time of the Senator on the amendment has expired. The Senator has 10 minutes upon the bill.

Mr. JOHNSON of California. I will take my time on the bill.

A large part of the membership of this body has determined, doubtless, that war does not exist in Finland. A large number, from that premise, having reached the conclusion that war does not exist, hold that therefore no rules of warfare obtain. A large number in this body have found that, as a matter of fact, no war exists in Finland, and therefore they reach the conclusion, from that finding, that there is no neutrality law in effect, and that there is no law at all which can apply to that particular territory, so far as we are concerned. That is rank nonsense; that is all there is to it. It is not well for any of us to cripple our intellects by arguing the question of war in Finland. It exists there. It exists horribly. I have never heard a man say that he thought other than one way in relation to that war and how it should terminate. Opinion is all one way, and I do not know of any exception.

I call Senators' attention to the fact that the bill accords to the Export-Import Bank \$100,000,000. You can strike out the entire bill and there exists power enough, authority enough, now in the Export-Import Bank, to do everything that the most enthusiastic advocate for Finland desires to do.

Mr. President, there is nothing to prevent such a loan as they may desire being made. There is nothing to prevent

the consummation of a contract exactly as they may wish to write it. We have the proof of that in the fact that a contract exists today the power to write which contract exists solely in the Export-Import Bank, and Finland today has paid back a portion of that loan. Senators recall the testimony on that subject. There is still a portion of the debt due today. Finland has been a good debtor, and the Export-Import Bank could, if it desired, leave this whole transaction to take its regular course within the Export-Import Bank. Do Senators realize that? No additional authority is needed here, none at all. The Export-Import Bank has ample authority to make the loan if it desires. The Export-Import Bank wants the legislation passed, of course, because it will give them \$100,000,000 more with which to play and to utilize as they see fit.

Do Senators recall the speech made today by the Senator from Maine, who told us that the Export-Import Bank has loans outstanding in 56 countries of the world. To all the world we have become a wet nurse and all regard us as a sort of Santa Claus, and all the world draws on us whenever it sees fit to do so. The only thing that holds back the officials of the bank in the slightest degree is a little act which is in effect. But they can do just exactly as they did before in the matter of lending to China or lending to Finland—exactly the same.

Senators, we are dealing here with a bill which does not provide for the lending of money to Finland, but for the giving of \$100,000,000 more to the Export-Import Bank for it to loan. If Senators wish to do that, very well, they have a right to do it. But do not do it under the guise of doing something for Finland, because that is not needed in any particular.

The bill puts restrictions on making certain sorts of loans, and says the borrower shall not spend the money for arms, ammunition and implements of war, but Mr. Jones makes perfectly plain that he cannot, and his corporation cannot do more than see that that sale is made; and see the goods loaded on the boat at the shore, but beyond that he cannot go.

I see that our friend on the other side of the aisle is getting very restless, and I shall give the remainder of the time to him, because I said I would. In addition, we all want to hear the Senator from Kentucky. So Senators will have that opportunity.

I wish to speak for just 1 or 2 more minutes. I listened with a great deal of interest to the speech made today by the Senator from Colorado [Mr. ADAMS]. I feel indeed just as he does. I will give to Finland and give until it hurts, so far as I am personally concerned. I will do anything within the bounds of reason to help Finland. But I am first an American, and as an American I stand here saying that you should not do aught that would carry us into the vortex of war. We may not be taken into the war by what we do, but we may be taken into war. I want to keep the skirts of my country clean. I do not want to lay the foundation for our country hereafter to go into war or to become involved in any conflict whatsoever. I have no apology to make when the spending of my country's money is at stake, and the future welfare of my country is involved. It is on that account, for my country and for your country, that I insist this loan should not be made.

Mr. BROWN. Mr. President, we have but 18 minutes remaining, and I feel that the majority leader should have a portion of that time. If I am not interrupted to any great extent I shall try to yield the floor at about 10 minutes to 5, so that he may have the remainder of the time.

First, I wish to say a word about the question of international law. We have not the time to give it the consideration it deserves, but let me say that the Senate of the United States has spoken on that subject. We have definitely taken a position. That position was officially taken by the Senate in the year 1928. The present Chief Justice of the Supreme Court of the United States headed the United

States delegation to the Habana Conference in that year, and the Habana Convention of 1928 provided as follows:

The neutral state is forbidden—

(a) To deliver to the belligerent directly or indirectly or for any reason whatever, ships of war, munitions or any other war material;

(b) —

And this is the point that applies to that situation—

To grant to it any loans, or to open credits for it during the duration of the war.

Continuing the quotation from the Habana Convention:

Credits that a neutral state may give to facilitate the sale or exportation of its food products and raw materials are not included in this prohibition.

The ratification of that convention by the Senate of the United States provided a definite statement by the Senate that that was the international law by which we would abide in our relations with the peoples of the world.

The pending bill in no way contravenes the Habana Convention. Some may say that that convention does not apply to European affairs. It was a declaration of the attitude of the American states in the so-called Pan American Union as to what our idea of international law was. The Senator from Georgia [Mr. GEORGE], who made the main argument upon this proposition, himself says that the bill does not contravene international law.

We ought not to be unneutral in this matter, and that is the reason why the bill originally introduced is not the bill now before the Senate. I think the original bill may have been unneutral.

Let me say a word as to the situation in which we find ourselves today. As has been pointed out by the junior Senator from Massachusetts [Mr. LODGE], and as was pointed out in the New York Times of Sunday last, the Russian Government is buying war supplies from the people of the United States. It can buy them on credit, and, Mr. President, it is buying such supplies with our money. We loaned Russia \$392,000,000. It has not repaid us a cent of that money. That is the amount of its indebtedness to us today. If Russia had paid that money, it is not likely it would have the funds with which to buy munitions of war from the people of the United States.

Look at the other side. The little nation of Finland, which is making its brave fight against odds of 50 to 1 in manpower, paid us, and is current, up to date, in what is owing us. It is the only nation in the world that has so paid us.

If Finland had retained that money; if she had taken the attitude the Russian Government has taken, she would have had millions of dollars with which to buy munitions of war. Finland does not have the money now, because she paid it to us. If we can correct that situation and do it in an entirely neutral way, conforming to the principles of international law—and it is conceded that we can do so under this bill—then, Senators, we ought to do it. We ought to correct the injustice and provide the small amount of money which is provided in the bill for loans to the Finnish Government.

The Senator from California [Mr. JOHNSON] says the Export-Import Bank can now make these loans. That is not possible under the financial condition of the Export-Import Bank today. The bank has loaned \$64,000,000. It is committed to lend \$50,000,000 more. That is \$14,000,000 more than the amount it is authorized to loan. It cannot make the loan to Finland unless we increase its loanable funds by the action which we hope will be taken under the provisions of the bill.

Let no Senator make any mistake. A vote for the bill is a vote for a loan to Finland; and certainly a vote against the bill will be taken by the Federal Loan Administrator and by the directors of the Export-Import Bank as an express direction that we do not want them to make any further loans to the Finnish Republic.

The issue is clear. Shall we, within the bounds of international law, in an entirely neutral way, advance additional

funds to Finland, or shall we not do so? That is the issue. A "nay" vote means no loan to Finland, and a "yea" vote means a loan to Finland.

Mr. BARKLEY. Mr. President, in the time remaining it will probably be impossible to do more than touch on two or three of what seem to be the salient features of this measure and objections to it as depicted by those who are opposed to it.

In the first place, in reply to the suggestion of the Senator from California [Mr. JOHNSON] that the bill before us is not the bill which was originally introduced by the Senator from Michigan [Mr. BROWN], of course the only answer that can be made is that that statement is true. However, it carries no significance whatever. The Senator from Michigan originally introduced a bill providing for a direct loan of \$60,000,000 from the Government of the United States to the Government of Finland. That bill was referred to the Committee on Banking and Currency, and the committee rewrote the bill practically in the language now before us. The Senator from Michigan could have introduced a new bill embodying the substitute written by the committee; and that procedure was discussed in the committee. The Senator from Michigan preferred to retain the number of his bill as introduced and to have the substitute brought in as an amendment to his original bill; but it accomplishes the same purpose as though the Senator had introduced a new bill and the committee had reported it.

Mr. President, the pending amendment is that offered by the Senator from Connecticut [Mr. DANAHER], which prohibits any loans out of these funds to any foreign country. There is nothing in the bill which by its terms authorizes a loan to a foreign country. The bill does not change the law under which the Export-Import Bank has operated for the past 4 or 5 years. There is nothing in the original law which says anything about a loan to a foreign country; and there is nothing in it which prohibits a loan to a foreign country. Whatever loans are made out of the additional capital stock under the new authorization will be made in the same manner in which such loans have been made up to this time. So the Senator's amendment, if it means anything, means that out of the additional fund the bank cannot make a loan to anybody for the benefit of a foreign country. If it has any effect at all, that is what it would do. The theory of the bill and of the original act was primarily to benefit the industries and agricultural interests of the United States. Therefore, the amendment is futile.

The Senator from Delaware [Mr. TOWNSEND] has indicated that he may offer an amendment to prohibit the purchase of gold sent to the United States from Russia or gold mined in Russia. I hope he will not offer that amendment, because it would do Finland no good for us to stop selling goods to Russia. All the gold that is coming in from all the countries is coming in in exchange for goods which we are selling; and if we desire to stop American factories or farms from producing, then we can pass a law which would attempt to stop the method by which payment may be made for the goods produced. That would not help Finland and would hurt only the United States.

I understand that the Senator from Ohio [Mr. TAFT] is to offer an amendment to reduce the capital stock of the Export-Import Bank by \$50,000,000.

Mr. President, nearly a year ago the Senate of the United States voted to increase the capital stock of the Export-Import Bank by \$75,000,000. Mr. Jones and the administration—I think the suggestion was included in a message from the President—asked Congress to increase the capital stock of the bank by \$100,000,000. No war in Europe was then on the surface. Germany had not yet invaded Poland. She had taken Austria and Czechoslovakia, but the thing which brought about a declaration of war on the part of England and France against Germany had not yet occurred. Nobody then dreamed that Russia was going to invade Finland; but in order to encourage and facilitate the exportation of our own

products, independent of any foreign country or any foreign need, with no Russia-Finland trouble in the minds of the Congress, the Export-Import Bank, or the administration, we were asked to increase the capital stock by \$100,000,000. We increased it by \$75,000,000 here in the Senate, but because it was involved in other legislation the House did not act on it.

I have no way of knowing whether or not Finland will obtain a loan out of the extra \$100,000,000. I have no way of knowing whether Norway, Sweden, or China will obtain a loan out of the extra \$100,000,000. But even if China receives not a dollar more; even if Finland receives not a dollar more; even if Norway and Sweden receive not a dollar more—which they may do under this legislation—we still need the \$100,000,000 additional in the capital of the bank in order to facilitate the exportation of American products.

Mr. President, we are trying to cultivate our trade with all the Western Hemisphere. We are trying to build up our commerce with South America and Central America. Germany and other European nations have been able to occupy a large portion of the logical market for American products by advancing credit, and by a sort of barter and exchange system with South and Central America. During the 4 months in which England, France, and Germany have been at war the South American and Central American countries have been compelled to buy an increased number of products from the United States; and we have before us an opportunity to cultivate our export trade with South America and Central America, not merely during the existence of this war, but if we have any vision or foresight, and are willing to deal intelligently with our opportunity now, we can, with mutual benefit, gain this market for our commerce—both industrial and agricultural—long after this war has ended. Therefore, from the standpoint of our own industry and our own exports, regardless of any foreign war, we are justified in increasing the capital stock of the Export-Import Bank.

Mr. President, we are told that if we make a loan out of this fund to some American corporation for the benefit of Finland, China, Norway, or Sweden, we are taking a step toward war. One of the reasons why not only the Banking and Currency Committee but the Committee on Foreign Relations endorsed the substitute was that it was not in violation of international law, whereas the original bill might be. Therefore, we felt that it was a better form in which to pursue the legislation.

How can a loan of \$10,000,000 more to Finland take us into war? How can a loan of \$20,000,000 more for the benefit of China take us into war? There is no private stake thus created in the war's result.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I am sorry, but I have not the time. I have only 2 minutes remaining. Otherwise I should gladly yield to my friend.

The nations of Europe owe us more than \$12,000,000,000, which they have not paid, and may never pay; but we have not gone to war with any nation in Europe in order to collect the \$12,000,000,000, and we are not going to war with any nation in Europe for that purpose if we never collect it. If we have not been willing to go to war with the nations of Europe to collect \$12,000,000,000, can anybody imagine that we are going to war against Finland to collect \$20,000,000 or \$30,000,000, or that we are going to war against China to collect \$25,000,000, plus \$20,000,000, making \$45,000,000; or that we are going to war against any nation which may, indirectly or directly, obtain some of this money, in order that we may collect it, and that, therefore, we are on the road to war?

Mr. President, I agree with those who have said that there may be special circumstances existing on account of our relationship with the little Republic of Finland. I have been unwilling to make our sympathy mercenary. I have been unwilling to say that we are going to lend money to Finland merely because she has paid back what she owed to us, in comparison with nations which have never owed us anything

and therefore have had no opportunity to establish a character of credit.

However, as between Finland and any other nation which has borrowed money from us or has not borrowed money, I am willing to say that if Finland needs another loan of \$10,000,000 or \$20,000,000, and the conditions prescribed by the Export-Import Bank are met by Finland, I am in favor of her obtaining the money for the things which she needs which are not military supplies, but which she may sorely need for her gallant fight for self-preservation.

Much as I sympathize with Finland, I would not vote for a bill which would authorize a direct loan out of the Treasury of the United States to the Government of Finland for the specific purpose of buying war materials, because I think that would very largely infringe upon our neutrality.

This bill will help Finland. No other nation can complain at the form of this help.

I hope the amendments will be defeated and that the bill will be passed.

The PRESIDENT pro tempore. The hour of 5 o'clock having arrived, the Chair will state that the unanimous-consent agreement which has been entered into reads as follows:

That, beginning at 3 o'clock p. m. on Tuesday, February 13, 1940, no Senator shall speak more than once, nor longer than 20 minutes, on the bill S. 3069, a bill to provide certain loans to the Republic of Finland by the Reconstruction Finance Corporation, or any amendment thereto, and at not later than 5 o'clock p. m. the Senate proceed to vote without further debate on said bill and all amendments thereto.

The pending amendment is the one offered by the Senator from Connecticut [Mr. DANAHY], which will be stated.

The LEGISLATIVE CLERK. After the words "loans to", it is proposed to strike out "any one foreign country"; and after the word "agencies", where it twice occurs, it is proposed to insert "of any one foreign country"; and after the words "made to", it is proposed to strike out "such foreign country and."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut.

Mr. DANAHY. On that amendment I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. TAFT. Mr. President, I offer the amendment which I sent to the desk earlier in the session.

The PRESIDENT pro tempore. Before the amendment is stated and acted on, let the Chair state the parliamentary situation.

On the request of the Senator from Michigan [Mr. BROWN] on Friday, by unanimous consent, the bill as reported out by the Banking and Currency Committee, and as reported by the Foreign Relations Committee and amended, was considered and agreed to be the bill before the Senate. In those circumstances the amendments of the committee will be understood to have been adopted without further vote. Under that unanimous-consent agreement, the amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. In line 12, it is proposed to strike out "\$200,000,000" and to insert in lieu thereof "\$150,000,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio.

Mr. TAFT and Mr. McNARY called for the yeas and nays, and they were ordered.

The PRESIDENT pro tempore. The clerk will call the roll. The Chief Clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a general pair with the Senator from Virginia [Mr. GLASS]. I understand that if he were present, he would vote on this question as I would vote. I therefore am at liberty to vote, and vote "nay."

Mr. STEWART (when his name was called). I have a pair with the junior Senator from Oregon [Mr. HOLMAN]. I am not advised how he would vote on this question. I transfer

that pair to the Senator from Arkansas [Mrs. CARAWAY], and will vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES], and therefore withhold my vote.

Mr. McNARY (when Mr. VANDENBERG's name was called). The senior Senator from Michigan is necessarily absent. If he were present, he would vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce the following pairs:

The Senator from New Hampshire [Mr. TOBEY] with the Senator from Illinois [Mr. SLATTERY]; and

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Illinois [Mr. LUCAS].

If present, Senators TOBEY and VANDENBERG would vote "yea," and Senators SLATTERY and LUCAS would vote "nay" on this question.

Mr. MINTON. Mr. President, I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness. I am advised that if present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "nay."

The Senator from Ohio [Mr. DONAHAY] and the Senator from Virginia [Mr. GLASS] are unavoidably detained.

The Senators from Louisiana [Mr. OVERTON and Mr. ELLENDER], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

The Senator from Virginia [Mr. BYRD] is paired with the Senator from Missouri [Mr. TRUMAN]; the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Illinois [Mr. SLATTERY]; and the Senator from Michigan [Mr. VANDENBERG] is paired with the Senator from Illinois [Mr. LUCAS]. I am advised that if present and voting, the Senator from Virginia, the Senator from New Hampshire, and the Senator from Michigan would vote "yea," and that the Senator from Missouri and the Senators from Illinois would vote "nay."

The result was announced—yeas 27, nays 50, as follows:

YEAS—27

Adams	Gibson	Lodge	Thomas, Idaho
Bulow	Gurney	Lundeen	Townsend
Capper	Hale	McCarran	Tydings
Danaher	Harrison	McNary	Van Nuys
Davis	Holt	Reed	White
Frazier	Johnson, Calif.	Reynolds	Wiley
Gerry	Johnson, Colo.	Taft	

NAYS—50

Andrews	Clark, Mo.	Lee	Russell
Ashurst	Connally	McKellar	Schwartz
Austin	George	Maloney	Schwellenbach
Bankhead	Gillette	Mead	Sheppard
Barbour	Green	Miller	Shipstead
Barkley	Guffey	Minton	Smathers
Bilbo	Hatch	Murray	Smith
Brown	Hayden	Neely	Stewart
Burke	Herring	Norris	Thomas, Okla.
Byrnes	Hill	O'Mahoney	Wagner
Chandler	Hughes	Pepper	Walsh
Chavez	King	Pittman	
Clark, Idaho	La Follette	Radcliffe	

NOT VOTING—19

Bailey	Donahay	Lucas	Tobey
Bone	Downey	Nye	Truman
Bridges	Ellender	Overtton	Vandenberg
Byrd	Glass	Slattery	Wheeler
Caraway	Holman	Thomas, Utah	

So Mr. TAFT's amendment was rejected.

The PRESIDENT pro tempore. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDENT pro tempore. The bill having been read three times, the question is, Shall it pass?

Mr. BARKLEY and other Senators called for the yeas and nays, and they were ordered.

The PRESIDENT pro tempore. The clerk will call the roll. The Chief Clerk proceeded to call the roll.

Mr. CLARK of Missouri (when his name was called). On this vote I have a pair with the senior Senator from Michigan [Mr. VANDENBERG]. Since I have been unable to transfer that pair, I withhold my vote. If the Senator from Michigan were present and voting, he would vote "yea." If I were permitted to vote, I should vote "nay."

Mr. SHIPSTEAD (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

Mr. STEWART (when his name was called). As I have heretofore announced, I have a pair with the junior Senator from Oregon [Mr. HOLMAN], which I transfer to the junior Senator from Virginia [Mr. BYRD], and vote "yea."

Mr. THOMAS of Utah (when his name was called). I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. In his absence, I withhold my vote.

The roll call was concluded.

Mr. MINTON. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from California [Mr. DOWNEY], and the Senator from Missouri [Mr. TRUMAN] are absent from the Senate because of illness.

The Senator from Ohio [Mr. DONAHEY] and the Senator from Virginia [Mr. GLASS] are unavoidably detained.

The Senators from Louisiana [Mr. OVERTON and Mr. ELLENDER], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

I am advised that if present and voting, the Senators from Virginia [Mr. BYRD and Mr. GLASS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from North Carolina [Mr. BAILEY], and the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY] would vote "yea."

The Senator from Missouri [Mr. TRUMAN] is paired with the Senator from Ohio [Mr. DONAHEY]. I am advised that if present and voting, the Senator from Missouri would vote "yea" and the Senator from Ohio would vote "nay."

Mr. AUSTIN. The junior Senator from New Hampshire [Mr. TOBEY] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 49, nays 27, as follows:

YEAS—49

Andrews	Frazier	Lee	Schwellenbach
Ashurst	Gibson	Maloney	Sheppard
Austin	Green	McKellar	Shipstead
Bankhead	Guffey	McNary	Smathers
Barbour	Hale	Mead	Stewart
Barkley	Hatch	Miller	Townsend
Bilbo	Hayden	Minton	Tydings
Brown	Herring	Murray	Wagner
Burke	Hill	Neely	Walsh
Byrnes	Hughes	Pepper	White
Chandler	Johnson, Colo.	Pittman	
Clark, Idaho	King	Radcliffe	
Davis	La Follette	Schwartz	

NAYS—27

Adams	Gerry	Lundeen	Smith
Bulow	Gillette	McCarran	Taft
Capper	Gurney	Norris	Thomas, Idaho
Chavez	Harrison	O'Mahoney	Thomas, Okla.
Connally	Holt	Reed	Van Nuys
Danaher	Johnson, Calif.	Reynolds	Wiley
George	Lodge	Russell	

NOT VOTING—20

Bailey	Clark, Mo.	Holman	Thomas, Utah
Bone	Donahey	Lucas	Tobey
Bridges	Downey	Nye	Truman
Byrd	Ellender	Overtone	Vandenberg
Caraway	Glass	Slattery	Wheeler

So the bill (S. 3069) was passed, as follows:

Be it enacted, etc., That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1) by striking out "\$100,000,000" and inserting in lieu thereof "\$200,000,000"; and (2) by inserting before the period at the end thereof a colon and the following: "Provided further, That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof

which are hereafter authorized to be made and are outstanding at any one time shall not exceed \$20,000,000, and such amount shall be in addition to the amount of loans heretofore authorized or made to such foreign country and the agencies and nationals thereof: *Provided further,* That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

The PRESIDENT pro tempore. By unanimous consent, the title of the bill as reported by the Committee on Banking and Currency is amended so as to read: "A bill to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes."

ORDER FOR LEAVE TO COMMITTEE ON APPROPRIATIONS TO REPORT DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, I ask unanimous consent that during any adjournment of the Senate following the conclusion of business today the Committee on Appropriations may be authorized to make reports it may be prepared to present on any proposed legislation.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

PAYMENT OF INCOME TAX IN THE DISTRICT OF COLUMBIA

Mr. KING. Mr. President, I report favorably from the Committee on the District of Columbia, without amendment, the bill (H. R. 8237) to amend the District of Columbia Revenue Act of 1939, which has passed the House of Representatives unanimously. The bill provides that the income tax which has been levied in the District of Columbia may be paid in two installments, instead of one, and the bill also exempts from inclusion under gross-income payments of benefits under laws relating to veterans. I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 8237) to amend the District of Columbia Revenue Act of 1939 was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 18 of title II of the act entitled "An act to provide revenue for the District of Columbia, and for other purposes," approved July 26, 1939, be amended to read as follows:

"Sec. 18. All returns of income for the preceding taxable year shall be made to the assessor on or before the 15th day of April in each year, except that such returns, if made on the basis of a fiscal year shall be made on or before the 15th day of the fourth month following the close of such fiscal year, unless such fiscal year has expired in the calendar year 1939 prior to the approval of this act, in which event returns shall be made on or before the 15th day of the third month following the approval of this act."

Sec. 2. Subsection (a) of section 26 of title II of said act approved July 26, 1939, is hereby amended to read as follows:

"Sec. 26. (a) Time of payment: One-half of the total amount of the tax imposed by this title shall be paid on the 15th day of April following the close of the calendar year and the remaining one-half of the tax shall be paid on the 15th day of October following the close of the calendar year, or, if the return be made on the basis of a fiscal year, then one-half of the total amount of the tax imposed by this title shall be paid on the 15th day of the fourth month following the close of the fiscal year and the remaining one-half of said tax shall be paid on the 15th day of the tenth month following the close of the fiscal year, except a fiscal year which expired in the calendar year 1939 prior to the approval of this act, in which event the tax shall be paid on the 15th day of the third month following the approval of this act."

Sec. 3. Title VI of said act approved July 26, 1939, is hereby amended by striking out "June 30, 1940" and inserting in lieu thereof the words "June 30, 1942."

Sec. 4. Section 4 (c) of such act (relating to exclusions from gross income) is amended by adding at the end thereof the following:

"(10) Payments of benefits made to or on account of a beneficiary under any of the laws relating to veterans."

T. N. E. C. HEARING ON FARM MORTGAGES HELD BY LIFE-INSURANCE COMPANIES

Mr. O'MAHONEY. Mr. President, I venture to call the attention of Senators who may be interested in the farm problem to the fact that during the next 2 or 3 days testimony will be presented at the hearings of the Temporary National Economic Committee which they will probably find of great

significance. The committee is now studying the investments of the 26 largest life-insurance companies in farm mortgages.

I desire only briefly to mention some of the facts which are being developed. Farm mortgages held by life-insurance companies in 1929 had reached a total far in excess of \$2,000,000,000. Thereafter they began to fall off, until in 1938 the total of farm mortgages held by life-insurance companies amounted to \$895,000,000.

While this decrease in the amount of farm mortgages held by life-insurance companies was taking place, there was a corresponding increase in the amount held by the Federal land banks and under the Farm Credit Administration through commissioner's loans. These Federal land-bank mortgages in 1929 amounted to \$1,183,000,000. In 1932 they amounted to \$1,152,000,000. They have since been steadily increasing until in 1938 they amounted to \$2,836,000,000.

Thus while life-insurance investment in farm mortgages has been declining, the Government investment through the Farm Credit Administration has been steadily increasing.

There is another significant fact. While the total amount of farm mortgages held by the life-insurance companies has been decreasing, the number of foreclosures has been increasing, and the value of farm lands now held by life-insurance companies is the highest in the history of the United States.

Mr. NORRIS. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. NORRIS. The statement of the Senator confuses me a little. Sometimes, as I understand, the Senator refers to mortgages as being held by life-insurance companies, and at other times he does not speak of the companies as life-insurance companies; he simply says "insurance companies."

Mr. O'MAHONEY. I meant to use the term "life-insurance companies" in each instance.

Mr. NORRIS. In all instances the Senator refers to life-insurance companies?

Mr. O'MAHONEY. We are dealing only with life-insurance companies.

Mr. NORRIS. The Senator has given us no statistics in regard to any other kind of insurance companies except life-insurance companies?

Mr. O'MAHONEY. No. This statement deals solely with the holdings of the 26 largest life-insurance companies.

Mr. NORRIS. That makes the statement plain.

Mr. O'MAHONEY. I will add this item: In 1929 these 26 companies owned approximately \$81,000,000 worth of farm real estate. In 1932 the value of farm lands in life-insurance company ownership had increased to \$235,000,000. In 1938 it had increased to \$529,392,000. In other words, these 26 largest life-insurance companies now own outright considerably in excess of one-half billion dollars in farm real estate throughout the United States. That this is a problem of the first magnitude is obvious.

I have taken the liberty of calling this matter to the attention of the Senate because I know that many Members of this body, particularly those from farm States, will not only be interested in the information which is being developed but some may desire to be present during the hearings.

It goes without saying that I have recited these figures without in any sense even intimating any criticism of the life-insurance companies. It is not the fault of the companies that they have become the largest farm owners in the country. The objective of the study by the T. N. E. C. with respect to life-insurance companies has been primarily to develop information with respect to the investments of those companies.

Mr. WAGNER. And there is no question about the soundness of the policies.

Mr. O'MAHONEY. No; there is no question about the soundness of the policies. That statement, I will say to the Senator from New York, has been made and reiterated again and again.

The hearings are taking place in the caucus room in the Senate Office Building. Inasmuch as we are apparently to have an adjournment until Thursday, Senators may find it convenient to attend. They will be welcome.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. MCKELLAR, from the Committee on Appropriations, reported favorably the following nominations:

Linus C. Glotzbach, of Minnesota, to be regional director, region VII, Work Projects Administration; and S. L. Stolte, of Minnesota, to be Work Projects Administrator for Minnesota.

Mr. MCKELLAR also, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

Mr. CHANDLER, from the Committee on the Judiciary, reported favorably the nomination of Raymond E. Thomson, of Alabama, to be United States marshal for the northern district of Alabama, vice Alex Smith, resigned.

Mr. SMITH, from the Committee on Agriculture and Forestry, reported favorably the following nominations:

Claude R. Wickard, of Indiana, to be Under Secretary of the Department of Agriculture, vice Milburn L. Wilson;

Grover Bennett Hill, of Texas, to be Assistant Secretary of Agriculture; and

Laurence I. Hewes, Jr., of California, to be regional director, Farm Security Administration.

Mr. HILL, from the Committee on Commerce, reported favorably the following nominations:

Charles Stuart Guthrie, of Illinois, now holding recess appointment, to the position of special assistant to the Secretary of Commerce at \$9,000;

Carroll Louis Wilson, of Massachusetts, now holding recess appointment, to the position of special assistant to the Secretary of Commerce, at \$7,500;

James W. Young, of New Mexico, now holding recess appointment, to the position of Director of the Bureau of Foreign and Domestic Commerce;

Grosvenor M. Jones, of Ohio, to be Assistant Director, Bureau of Foreign and Domestic Commerce; and

Bruce Berckmans, of New Jersey, to be Assistant Director, Bureau of Foreign and Domestic Commerce.

The PRESIDENT pro tempore. That completes the reports of committees. There are no nominations on today's Executive Calendar.

DIPLOMATIC SERVICE

Mr. BARKLEY. Mr. President, on Friday, February 9, the nomination of Mr. George H. Earle 3d, of Pennsylvania, to be Minister to Bulgaria, was confirmed. I ask unanimous consent that the President be notified.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the President will be notified.

POSTMASTER AT GREENSBURG, PA.; MOTION TO RECONSIDER

Mr. DAVIS. Mr. President, I desire to enter a motion to reconsider the vote by which the nomination of Kathleen Gregg to be postmaster at Greensburg, Pa., was rejected.

The PRESIDENT pro tempore. The motion of the Senator from Pennsylvania will be entered.

Mr. BARKLEY. Mr. President, does the Senator from Pennsylvania wish to dispose of that motion now?

Mr. DAVIS. No, Mr. President, I will take the matter up at the usual time. I simply give notice that I have entered the motion to reconsider the vote, and I will discuss the matter at a later date.

ADJOURNMENT TO THURSDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until Thursday next.

The motion was agreed to; and (at 5 o'clock and 26 minutes p. m.) the Senate adjourned until Thursday, February 15, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 13 (legislative day of February 7), 1940

DEPARTMENT OF LABOR

Philip B. Fleming, of Iowa, to be Administrator of the Wage and Hour Division, Department of Labor.

PROMOTION IN THE REGULAR ARMY

Capt. Charles Carlton, Infantry, to be major from December 16, 1939.

NOTE.—Captain Carlton was nominated January 4, 1940, and confirmed January 16, 1940, with rank from December 17, 1939. This message is submitted for the purpose of correcting an error in his date of rank, as a supplementary report of death of Maj. Francis G. Bonham, Infantry, gives date of death as December 15, 1939, instead of December 16, 1939, as previously reported.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 13, 1940

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. RAYBURN.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, our most merciful Father, out of the depths from which spring humility, reverence, and faith do we appeal unto Thee for guidance and help. We pray that we shall receive such a portion of Thy spirit that we may be faithful and just in the daily duties of life; we rejoice that the Almighty One is a sun that shines on cabin and palace. Oh, give us the power of that faith to declare that the time will come when the nation that breaks its promises and sows to the wind shall of that wind reap the whirlwind; the blessed Lord help us to take no counsel of crouching fear, for with Thee a thousand years are as a day. O my soul, let us believe that self-discipline is the most stable form of character building and that the golden words of liberty, opportunity, and integrity will be the watchwords not only for our Republic but for the nations of earth. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On February 9, 1940:

H. R. 5634. An act granting 6 months' pay to Sidney M. Bowen;

H. R. 5734. An act for the relief of World War sailors and marines who were discharged from the United States Navy or United States Marine Corps because of minority or misrepresentation of age; and

H. R. 6124. An act giving the consent of Congress to the addition of lands to the State of Texas and ceding jurisdiction to the State of Texas over certain parcels or tracts of land heretofore acquired by the United States of America from the United Mexican States.

On February 12, 1940:

H. R. 4532. An act to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

H. R. 7805. An act making supplemental appropriations for the Military and Naval Establishments, Coast Guard, and Federal Bureau of Investigation, for the fiscal year ending June 30, 1940, and for other purposes; and

H. R. 8067. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and for other purposes.

EXTENSION OF REMARKS

By unanimous consent Mr. BOLAND and Mr. LUDLOW were granted permission to extend their own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of business on the Speaker's table and the business of the day, I may address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection?
There was no objection.

EXTENSION OF REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting in the RECORD a letter I have received from Acting Secretary of the Treasury Bell, in answer to a speech made on the floor of the House by the gentleman from Maine [Mr. BREWSTER] on February 6.

The SPEAKER pro tempore. Is there objection?
There was no objection.

MERIT SYSTEM FOR GOVERNMENT EMPLOYEES

Mr. YOUNGDAHL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?
There was no objection.

Mr. YOUNGDAHL. Mr. Speaker, last week this body considered and passed the so-called civil-service bill.

During debate while that bill was being considered we heard much about the merit system, much about the obligation of the Government to its employees, much about the humanitarianism of government.

Soon the United States Government is to start taking the decennial census. Applications are already being taken for some 250,000 to 275,000 temporary employees to take this census. Already these jobs are being promised to party workers and local politicians. Many of these political appointments have already been made.

In contrast to this, some 10,000,000 Americans are still out of employment. Made-work registers are still filled with names of needy persons awaiting their turn to work for the Government. Relief lists are still filled with the names of those who would do an honest day's work but cannot, so they must depend upon public assistance.

At the last session of this Congress I introduced a bill—H. R. 7148—providing that all temporary employees hired to take the 1940 census, excepting those under civil service and veterans' preference, be taken from the rolls of those certified as being in need of public assistance or made work. Today that bill remains pigeonholed in the rooms of the Committee on the Census.

Along with the hopes and ambitions and desires for work of millions of Americans it lies buried, while 250,000 jobs are being handed out to political satellites in preparation for the elections this fall.

Certainly there are people on the public-relief rolls today who are qualified to take this census. It does not require any great ability or special training to ask the housewife whether she shares her bathroom with others or uses it alone. Certainly it does not require any political training to qualify for asking the questions required by the Bureau of the Census.

It may take some expert talking to persuade Americans that they must divulge to some local politicians the amount of salary or wages they made last year or the number of weeks worked in 1939. It may require considerable argument to persuade Americans that such questions are not an invasion of their rights, but it should not require any special ability or training to write down the answers if the answer is given.

I know there are thousands of persons on the relief rolls who are just as well qualified to ask those questions as are the political appointees who are being promised those jobs.

For this Congress to sit here and calmly give its consent to keeping nine or ten million American citizens on the relief rolls and then passing out some 250,000 jobs to political friends for political purposes is not justice. It is not humanitarian. It is not the American way of doing things. And neither is it good business nor economical government.

Hundreds of other cities and villages are in the same position as my district. Relief loads have grown so heavy that local government is facing bankruptcy. Bond limits have been reached. Taxpayers are unable to pay their taxes.

Yet here we have the spectacle of the American Government handing out a quarter of a million jobs on a basis of political reward while 10,000,000 needy Americans still hunt for work.

Last week we voted to extend civil service to between 250,000 and 300,000 employees of the Government. I voted for that bill because I believe in merit and justice.

For the same reason, I ask the Members of this House to demand consideration of this bill, which would offer 250,000 jobs in the 1940 census to those Americans who need them. Let us not be just and humanitarian only where it will help politically; let us be just and humanitarian where it will help restore the self-respect of Americans who are anxious to work. [Applause.]

EXTENSION OF REMARKS

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an address I delivered last night at Parkersburg, W. Va.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my remarks and include a short editorial from the Palasadian.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

NATIONAL YOUTH CONGRESS

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I believe that Members of Congress should be deeply concerned over the events that have transpired as the result of a recent convention of the National Youth Congress in the Nation's Capital.

We read with mixed emotions that the President of the United States and the First Lady were both hissed and booed when they addressed the convention and asked the assembled young people to think twice before committing themselves on problems of national and international importance. Yesterday we witnessed Members of the House of Representatives being derided here on the floor by young men and women of the youth organization who were assembled in the galleries. These manifestations that were in such poor taste can be

ignored as bad manners, but there is an underlying factor involved which cannot be so easily disregarded.

A great many of the young persons who attended the convention are not yet mature enough to think things through for themselves. Where, then, are they having instilled in their minds such ideas of disrespect for the duly elected representatives of the United States? Where are they absorbing the philosophy that their only hope for the future lies in coming to Washington and lobbying for a hand-out of half a billion dollars? We Members of Congress should concern ourselves with this problem, which is immediate and pressing, and try to find the solution.

I do not believe that any of us can be justly accused of not having the future welfare of American youth at heart. Most of us are raising children of our own and I am sure that most of us are doing our best to train them in the true traditions of real Americanism. We hope that our children will learn to follow the principles of constitutional government as laid down by Washington and preserved by Lincoln. We hope that they will learn the proper respect for the constituted authorities and representatives of our democracy.

Jobs for young Americans are perhaps our primary consideration, if we do not want our youth to grow into manhood and womanhood expecting the Government to meet their every demand for assistance. Self-reliance and the ability to create and seize upon opportunity have made this Nation great, and these fundamental principles must be continued.

Let us concern ourselves with those individuals and organizations who are preaching un-American doctrines. We should resolve here and now that we will seek out and destroy the underlying causes for the undemocratic tendencies that are being drilled into some of the youth movements throughout the country. After all, the young people of today are the citizens of tomorrow, and they must be prepared to take over the reins of government when we relinquish our duties. I fervently hope that they will be prepared to meet their responsibility in traditional American style. [Applause.]

EXTENSION OF REMARKS

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial from today's Washington Post.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SECREST. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by Senator GUY M. GILLETTE at the annual banquet of the Washington College of Law on February 10, 1940.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by a fellow-townsmen.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE asked and was given permission to extend his own remarks in the RECORD.

THE 1940 CENSUS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, in answer to the gentleman from Minnesota [Mr. YOUNGDAHL], on his suggestion to change the method of appointing census enumerators, and have the enumerators selected from the relief rolls, I want to say that

such a proposition is out of the question. It never has been done and it will not be done this time.

What the Bureau of the Census is trying to do is to select men and women in the various communities through a special test and get enumerators who are qualified to take the census, as the regulations provide.

Taking the census is not a guessing contest. The reports of the Census Bureau are supposed to be accurate, and what we are trying to do is to get a correct census of all the people of the United States. The machinery has already been set up and arrangements have been made for special examinations for these enumerators. They are to be selected in this way in every congressional district in the United States.

If the gentleman wants to come before the Census Committee, of which I am a member, I assure him we shall be glad to hear him; but the idea of coming before the House and demanding that we select all these enumerators from relief rolls to me is ridiculous.

Mr. YOUNGDAHL. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. If I have time, I yield for a brief question.

Mr. YOUNGDAHL. Does the gentleman recall that an appearance was made before the Committee of the Census last spring in which some of us asked that there be a hearing on this matter, that the Director of the Census be called and also the Director of the W. P. A. to discuss this matter?

Mr. RANKIN. Was not that the time the gentleman from Minnesota appeared?

Mr. YOUNGDAHL. Yes.

Mr. RANKIN. The members of the committee did not take it seriously enough to comply with that request, because they thought it was unreasonable.

These criticisms of the Bureau of the Census are unjust. I note, for instance, that objections have been raised to the inclusion of a question in this year's census of population concerning how much wages or salary each person made last year. This has been called an invasion of people's privacy and a violation of individual rights.

Many times, during the 150 years that the census has been the fact-finder of the Nation, much more searchingly personal questions have been asked by its enumerators. And the American people have answered these questions, not because it is a misdemeanor to refuse but because they have confidence in the census, what it stands for, and its long, fine record of keeping the answers confidential.

FIVE THOUSAND DOLLARS IS THE TOP

Most of the complaints about this question of earnings—and they have been few—seem to be based upon a complete misconception, because most of them come from people who make very substantial salaries and who do not wish to report these salaries to the local census enumerators.

Therefore, most of the complaints are withdrawn when the ones who made them are informed that the ceiling on this question is \$5,000, and that any person making more than that simply states, "over \$5,000."

This is because the purpose of the question is to determine mass buying power for the purchase of consumption of goods, and incomes above \$5,000 seldom are so expended. This purpose is the basis for the popular support of this question: To determine the extent of mass buying power in the field of consumption goods. That is an aim understood by every businessman in the country, every manufacturer, wholesaler, and retailer.

The question on earnings is said to be "personal," even though every census worker is sworn to secrecy under penalty of \$1,000 fine and 2 years' imprisonment if he reveals a single fact he learns in line of duty, and even though a century and a half of census experience proves that census confidences are preserved.

HOW QUESTIONS ARE CHOSEN

Far more revealing questions have been asked, successfully, by the census in the past. Would it be too personal to require every adult to tell the census taker the value of all the real

estate he owns, and the value of all the other property in his estate? Half of that was required 90 years ago, in 1850, under President Zachary Taylor; and all of it was required in 1860 and 1870, under President Buchanan and President Grant.

Who wants these statistical averages of the wages and salary of the American people? That is the crux of the whole question. A sample cross-section of the public demand for this question is easily obtainable from the Census Bureau and might surprise many people.

To begin with, the Census Bureau does not think up questions with which to annoy people. It is deluged before every census with thousands of questions which all sorts of responsible groups want it to ask. And it calls together, in a truly democratic way the leaders of the most important interested groups to help it sift these questions down to the minimum number of basically important questions.

WHO WANTS TO KNOW?

For 2 days, almost a year ago, it had in conference here in Washington more than 50 leaders in business, manufacturing, labor, government, together with statistical experts. That was on March 3 and 4, 1939. They were called here by Secretary Hopkins to discuss this very question of salary, and others like it, for the 1940 census.

Here is what the proceedings of that conference say:

Satisfaction was expressed particularly with the inquiries relating to migration, employment, unemployment, and economic status.

It should be borne in mind that this refers to the very material on wages and salaries, as well as other incomes, which is still on the question list for the 1940 census.

Now, who attended that conference? Here are only a few: Dr. Louis Dublin, of the Metropolitan Life Insurance Co.; Dr. David R. Craig, president of the American Retail Federation; Mr. Noel Sargent, secretary of the National Association of Manufacturers; Gen. Robert E. Wood, chairman of Sears, Roebuck; Sidney R. Katz, of the C. I. O.; and Miss Margaret Scattergood, of the A. F. of L.; and Dr. Stacy May, of the Rockefeller Foundation. This is just a few of the people in this conference who saw nothing wrong with this question. They largely represent the very ones who will have to answer these questions—both labor and capital.

WIDE RANGE OF REQUESTS

Who else believes that this question is in the public interest?

In the cross-section of requests for statistics on earnings of the American people are letters and resolutions from the American Home Economics Association, the National Industrial Conference Board, the Actuarial Society of America, the Population Association of America, from ministers and church councils, Y. M. C. A.'s, insurance companies, automobile manufacturers, public utilities, labor unions, advertising agencies and market analysts, publishers such as Senator CAPPER and Meredith and McFadden and the Associated Farm Papers. There are even requests from two Representatives and one Senator.

"STRONGLY RECOMMENDED"

One of these requests came from a conference sponsored by the National Bureau of Economic Research, which includes directors from such groups as the American Engineering Council, the American Management Association, the National Publishers Association, and the American Federation of Labor. I want to quote you what this conference reported to the Secretary of Commerce:

The conference went on record as strongly recommending the inclusion of such questions (questions on income) in the (1940) census.

It also should be remembered that this income question was approved unanimously by the advisory committee to the Census Bureau, composed of Dr. Robert E. Chaddock, of Columbia University; Dr. J. Frederick Dewhurst, of the Twentieth Century Fund; Mr. Paul T. Cherington, market analyst; Dr. William F. Ogburn, of the University of Chicago; Dr. Murray R. Benedict, of the University of California; and Dr. Willard R. Thorp, of Dun & Bradstreet.

This information is not to be used to air the private affairs of the individual, any more than in his income-tax returns. But it is for the purpose of compiling statistics that will be of value to all the American people.

I trust members will desist from unnecessary criticisms of the Bureau of the Census, and join us in helping to make the 1940 census a success.

It is a matter in which all our people are interested, and the Bureau is entitled to the moral as well as the official support of every Member of both Houses of Congress.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ALEXANDER. Mr. Speaker, my colleague from Minnesota is absolutely right in his attempt to call to the attention of the House the fact that Minnesota is being discriminated against in connection with its unemployment relief problem as far as the Federal Government is concerned. Thousands of people in our State have been certified for W. P. A., yet they are lying around starving to death trying to get work, but denied work by the Administrator of the W. P. A. I call the attention of the House to the following news item taken from the Minneapolis Star-Journal of January 29:

CITY READIES PLEA FOR MORE JOBS ON W. P. A.—STOLTE TO RECEIVE WAYS AND MEANS COMMITTEE WEDNESDAY

Definite effort to obtain 1,000 to 2,500 more W. P. A. jobs for Minneapolis relief clients will be made by the city council ways and means committee Wednesday at a meeting with S. L. Stolte, State W. P. A. administrator.

The meeting was arranged today after Nathan Harris, city utilities engineer, told a joint session of the committee and the welfare board 2,712 relief clients are now awaiting W. P. A. assignment here, out of a total of 9,690 in the entire State.

Stolte had written the committee complaining the city is operating too many "white collar" W. P. A. projects, and that it should have more strictly labor projects.

Harris showed that Hennepin County now has 8,726 on W. P. A. jobs, or 18.8 percent of the State total of 46,528. Minneapolis' relief load now is 33.2 percent of the State's total load, Harris said, indicating the city is entitled to many more W. P. A. jobs than have been assigned here.

Reports showed the three largest W. P. A. projects now in operation here, including one of the city engineer, one of the park board, and the relief department's sewing project, were intended to employ 7,386 relief clients but total employed on these now is only 3,711.

Heads of the departments said they could give work to 2,000 or more relief clients on these projects if the workers were certified by W. P. A.

As you see, we have gone into this matter with the administrators, both Federal and State, but we seem to get nowhere. My colleague's contention that we have many people out there qualified to serve as census enumerators is correct. In Minneapolis alone there are 62,500 people on relief. If we cannot find someone out of that group of 62,500 qualified to serve as census enumerators then I miss my guess.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. RANKIN. Even if we did take the enumerators from the relief rolls, it would simply cut down the number of people employed by the Government instead of increasing it.

Mr. ALEXANDER. Oh, no.

Mr. RANKIN. Yes; it would.

Mr. ALEXANDER. Not at all because we have many more people out there eligible to be placed on the W. P. A. rolls. What I understand the gentleman wants to suggest was to take those qualified relief people and appoint them as census enumerators instead of political appointments, such as the wife of a man already working, or the reverse.

Mr. RANKIN. No; he suggested that they be taken from the relief rolls.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert herewith a statistical report on the Minnesota W. P. A. situation as compared with the other States. You will note that Minneapolis and St. Paul rank 32 and 28, respectively, in the list of 41 largest cities:

UTILITIES ENGINEER.

Minneapolis, Minn., December 28, 1939.

Subject: Federal Aid to Cities Through W. P. A. Expenditures.

WAYS AND MEANS COMMITTEE,
Minneapolis, Minn.

GENTLEMEN: Attached hereto are two tables developed from a bulletin recently received in this office from the Social Security Board, Washington, D. C.

Table I discloses the total expenditure from public funds during the month of August 1939 for public relief in each of the 41 cities of the United States having a population of more than 200,000. For your further information the data for Duluth and Des Moines, each having a population of under 200,000, are also shown, inasmuch as these are the nearest larger urban centers not included in the regular list. Table I shows for each of these cities the population, total relief outlay, total W. P. A. earnings, and the percentage of total relief outlay in the form of W. P. A. earnings.

Table II rearranges the list of cities so as to show their rank order from a standpoint of the percentage of W. P. A. earnings in relation to total public-relief expense.

The figures for 1 month only may, of course, not be an adequate index of relative aid furnished by W. P. A. in the various urban centers, but it is significant, nevertheless, to note that for the month referred to 31 out of these 41 cities had a higher percentage of relief burden carried through W. P. A. expenditures than was the case in Minneapolis. Furthermore, the cities of Duluth and Des Moines likewise benefited by a higher percentage of their public-relief expense being carried through W. P. A. outlay than is the case in Minneapolis. You will further observe that the 3 cities having the highest percentage of Federal aid in this form were the southern cities of Atlanta, Birmingham, and New Orleans, each reporting more than 80 percent of their public-relief expense in the form of earnings of W. P. A. workers.

Minneapolis, with a 47.6 percent of public-relief expense in the form of W. P. A. earnings, ranks 32d in the list of 41 cities.

To what extent this disparity between the proportion of local relief expense borne by W. P. A. in the city of Minneapolis and the corresponding proportion in most of the other large cities of the United States is due to local policy on W. P. A. projects requiring skilled labor, or is due to Federal policy in allocating W. P. A. quotas, is not determined.

This data is being submitted merely for the purpose of giving your committee the benefit of the latest information we have on the subject.

Respectfully submitted.

NATHAN HARRIS, Utilities Engineer.

TABLE I.—Public-relief expense in cities of over 200,000 population

Pop- ulation rank	City	Popula- tion 1933, census es- timate	Public-relief expenditures		
			Total	Work Projects Ad- ministration	
				Earnings	Percent of total
1	New York City	7,154,300	\$18,295,000	\$9,480,000	51.9
2	Chicago	3,490,700	8,317,000	4,586,000	55.1
3	Philadelphia	1,972,700	4,841,000	1,590,000	32.9
4	Detroit	1,666,100	4,160,000	2,797,000	67.3
5	Los Angeles	1,354,100	5,493,000	1,706,000	31.1
6	Cleveland	918,400	3,276,000	2,221,000	67.9
7	St. Louis	830,300	1,560,000	1,167,000	74.8
8	Baltimore	817,100	699,000	221,000	31.6
9	Boston	786,900	2,452,000	1,329,000	54.2
10	Pittsburgh	678,500	3,136,000	949,000	30.2
11	San Francisco	656,200	1,640,000	826,000	50.4
12	Washington, D. C.	608,000	662,000	500,970	75.7
13	Milwaukee	599,100	2,004,000	1,225,000	61.2
14	Buffalo	584,400	1,286,000	430,000	33.5
15	Minneapolis	477,700	1,467,000	698,000	47.6
16	New Orleans	471,000	983,000	800,000	81.4
17	Cincinnati	460,100	1,048,000	603,000	57.5
18	Newark	447,000	1,312,000	715,000	54.5
19	Kansas City	412,600	776,000	533,000	68.6
20	Seattle	374,100	817,000	413,000	50.6
21	Indianapolis	372,100	908,000	579,000	63.8
22	Rochester, N. Y.	333,500	616,000	93,000	15.1
23	Jersey City	319,900	515,000	304,000	59.0
24	Houston	317,900	333,000	228,000	68.5
25	Louisville	317,500	281,000	223,000	79.3
26	Portland, Oreg.	309,100	595,000	331,000	55.6
27	Columbus, Ohio	299,700	739,000	444,000	60.0
28	Toledo	298,900	970,000	628,000	64.8
29	Oakland	295,600	1,292,000	688,000	53.2
30	Denver	293,200	674,000	227,000	33.8
31	Atlanta	280,400	507,000	463,000	91.5
32	Dallas	278,000	306,000	202,000	66.0
33	St. Paul	277,900	721,000	384,000	53.2
34	Birmingham	273,300	321,000	273,000	85.0
35	Akron	265,100	801,000	578,000	72.1
36	Memphis	261,500	317,000	229,000	72.3
37	Providence	255,600	437,000	200,000	45.7
38	San Antonio	243,500	296,000	225,000	76.0
39	Omaha	217,800	502,000	383,000	76.3
40	Syracuse, N. Y.	214,500	439,000	107,000	24.4
41	Dayton	206,600	529,000	299,000	56.5
42	Des Moines	145,300	448,000	282,000	63.0
43	Duluth	101,900	707,000	402,000	56.8

NOTE.—Population from U. S. Bureau of Census; expenditures from Social Security Board; Dec. 28, 1939.

TABLE II.—Ranking of cities according to percentage of relief expense under Work Projects Administration

City	Percent of relief expense under Work Projects Administration	Rank, order of Work Projects Administration percent	Rank, order of population
Atlanta	91.5	1	31
Birmingham	85	2	34
New Orleans	81.4	3	16
Louisville	79.3	4	25
Omaha	76.3	5	39
San Antonio	76.0	6	38
Washington, D. C.	75.7	7	12
St. Louis	74.8	8	7
Memphis	72.3	9	35
Akron	72.1	10	35
Kansas City	68.6	11	19
Houston	68.5	12	24
Cleveland	67.9	13	6
Detroit	67.3	14	4
Dallas	66.0	15	32
Toledo	64.8	16	28
Indianapolis	63.8	17	21
Milwaukee	61.2	18	13
Columbus	60.0	19	27
Jersey City	59.0	20	23
Cincinnati	57.5	21	17
Dayton, Ohio	56.5	22	41
Portland, Ore.	55.6	23	26
Chicago	55.1	24	2
Newark	54.5	25	18
Boston	54.2	26	9
Oakland	53.2	27	29
St. Paul	53.2	28	33
New York City	51.9	29	1
Seattle	50.6	30	20
San Francisco	50.4	31	11
Minneapolis	47.6	32	15
Providence	45.7	33	37
Denver	33.8	34	30
Buffalo	33.5	35	14
Philadelphia	32.9	36	3
Baltimore	31.6	37	8
Los Angeles	31.1	38	5
Pittsburgh	30.2	39	10
Syracuse	24.4	40	40
Rochester	15.1	41	22

NEARBY CITIES UNDER 200,000 POPULATION

Duluth	56.8		
Des Moines	63.0		

The following report serves to show the rankest sort of discrimination as to W. P. A. apportionment in the State itself as far as St. Paul and Minneapolis are concerned, giving rise to the argument by my colleague that census jobs should be filled from relief rolls if the W. P. A. cannot find other work:

Table of W. P. A. and direct-relief case loads

(W. P. A. data from Federal authorities. Direct relief data from State authorities)
[Counties arranged in rank order of ratio of W. P. A. to direct-relief load]

County	At work, Dec. 27, 1939	Total case load December 1939	Persons at work in percent of case load
1. Winona	671		
2. Swift	330		
3. Fillmore	244		
4. Le Sueur	138		
5. Carver	122		
6. Roseau	151	12	1,258.3
7. Sibley	123	10	1,230.0
8. Becker	711	86	825.7
9. Red Lake	77	10	770.0
10. McLeod	165	24	687.5
11. Morrison	729	108	675.0
12. Kittson	282	44	640.9
13. Clearwater	269	44	611.4
14. Clay	297	53	560.4
15. Cook	231	42	550.0
16. Murray	300	60	500.0
17. Pennington	157	34	461.8
18. Traverse	118	27	437.0
19. Wadena	166	42	395.2
20. Brown	300	80	375.0
21. Otter Tail	684	187	365.8
22. Wabasha	283	86	329.1
23. Todd	436	137	318.2
24. Kandiyohi	343	110	311.8
25. Stearns	1,199	393	305.1
26. Big Stone	303	100	303.0
27. Sherburne	197	67	294.0
28. Mahanomen	345	121	285.1
29. Blue Earth	358	132	271.2
30. Lake of the Woods	137	53	258.5

Table of W. P. A. and direct-relief case loads—Continued

County	At work Dec. 27, 1939	Total case load December 1939	Persons at work in percent of case load
31. Pipestone	164	69	237.7
32. Carlton	387	167	231.7
33. Houston	187	86	217.4
34. Watonwan	87	41	212.2
35. Dodge	130	62	209.7
36. Rock	71	35	202.9
37. Jackson	76	38	200.0
38. Stevens	157	80	196.3
39. Meeker	210	108	194.4
40. Hubbard	343	178	192.7
41. Chippewa	438	230	190.4
42. Norman	208	110	189.1
43. Redwood	193	104	185.6
44. Cass	587	333	176.3
45. Douglas	316	180	175.6
46. Crow Wing	486	288	173.4
47. Lac Qui Parle	332	192	172.9
48. Mower	245	146	167.8
49. Lincoln	145	88	164.8
50. Yellow Medicine	231	147	157.1
51. Nicollet	109	70	155.7
52. Grant	125	85	147.1
53. Martin	139	96	144.8
54. Benton	183	128	143.0
55. Itasca	693	485	142.9
56. Atkin	450	325	138.5
57. Anoka	401	292	137.3
58. Cottonwood	120	89	134.8
59. Lyon	206	155	132.9
60. Mille Lacs	295	229	128.8
61. Nobles	112	87	128.7
62. Steele	113	88	128.4
63. Kanabec	128	101	126.7
64. Marshall	124	99	125.3
65. Goodhue	167	134	124.6
66. Rice	339	282	120.2
67. Beltrami	957	811	118.0
68. Washington	351	301	116.6
69. Pine	317	274	115.7
70. Isanti	184	161	114.3
71. Freeborn	267	245	109.0
72. Polk	374	363	103.0
73. Olmsted	373	374	99.7
74. Dakota	344	346	99.4
75. Waseca	139	145	95.9
76. Wright	258	273	94.5
77. Pope	185	211	87.7
78. Faribault	205	239	85.8
79. Lake	98	117	83.8
80. St. Louis	5,874	7,033	83.5
81. Wilkin	97	119	81.5
82. Renville	194	241	80.5
83. Koochiching	275	394	69.8
84. Scott	69	101	68.3
85. Ramsey	4,967	8,035	61.8
86. Hennepin	8,726	14,171	61.6
87. Chisago	63	116	54.3
Total	43,240	41,759	103.5
Total without Hennepin County	34,514	27,588	125.1
Median			176.3

EXTENSION OF REMARKS

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein a radio address by the minority leader, the gentleman from Massachusetts [Mr. MARTIN], which he delivered last night in connection with the Lincoln Day celebrations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. DITTER]?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks by placing in the Appendix of the Record the testimony given by Mr. Coulter before the Ways and Means Committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota [Mr. CASE]?

There was no objection.

NAVY DEPARTMENT AND NAVAL SERVICE APPROPRIATION BILL, 1941

Mr. SCRUGHAM, from the Committee on Appropriations, reported the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes (Rept. No. 1587), which was read a first and second time and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. DITTER reserved all points of order on the bill.

Mr. SCRUGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

state of the Union for the consideration of the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes; and pending that motion I ask unanimous consent that general debate may continue throughout the day, and that the time be equally divided between myself and the gentleman from Pennsylvania [Mr. DITTER].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada [Mr. SCRUGHAM]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask if it is the intention to have Calendar Wednesday business on tomorrow?

The SPEAKER pro tempore. The Chair may say for the information of the gentleman that that is the intention. The Chair may say further, in response to the inquiry of the gentleman from Massachusetts [Mr. MARTIN], which is a proper one, that previously we have been calling one committee on the calendar each Wednesday. The Committee on Indian Affairs may have several bills for consideration tomorrow. It may be that this will require until 2 or 3 o'clock. The Chair feels that it would not be quite fair to begin reading this bill tomorrow after the Committee on Indian Affairs has completed its work. Perhaps more time may be desired for general debate before reading the bill. The bill can be read for amendment on Thursday and Friday, as we have nothing else on the calendar this week.

Mr. CANNON of Missouri. Mr. Speaker, reserving the right to object, will there be any objection to continuing debate on the naval appropriation bill after the completion of the Calendar Wednesday business, if time remains?

The SPEAKER pro tempore. That was the suggestion made by the Chair, although no request has been made to that effect.

Mr. JONES of Texas. Mr. Speaker, reserving the right to object, I do so for the purpose of calling the attention of the House to the fact that this measure and the hearings thereon have not been made available to the Members of the House until today, which I think is bad practice.

Mr. TABER. Mr. Speaker, reserving the right to object, as I understand it, is the intention and has been the intention of the chairman of the subcommittee and the acting chairman of the full committee that this bill be read for amendment on Thursday, and not before then. That has been the intention right along. Is that correct?

Mr. SCRUGHAM. That is correct.

Mr. DITTER. Mr. Speaker, reserving the right to object, I think the gentleman from New York [Mr. TABER] is mistaken with reference to the time for reading the bill. It was my understanding with the chairman of the subcommittee that the bill would be read on Friday, that we would not start reading the bill until Friday. If I am in error I should like to know that at this time.

Mr. SCRUGHAM. That depends upon the amount of time required for general debate.

Mr. DITTER. May we have the assurance that the bill will not be read for amendment until Friday?

Mr. SCRUGHAM. Personally I have no objection.

Mr. DITTER. Then can we come to an agreement on that at this time?

Mr. SCRUGHAM. So far as the chairman of the subcommittee is concerned, the agreement is all right with me.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada [Mr. SCRUGHAM] that general debate continue throughout the day?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Nevada [Mr. SCRUGHAM] that the House resolve itself into the Committee of the Whole House for the consideration of H. R. 8438.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8438, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. SCRUGHAM. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, it is with a feeling of some serious responsibility that I present this major appropriation bill to the House. My colleagues on the Committee, Mr. FERNANDEZ, Mr. CASEY of Massachusetts, Mr. CALDWELL, Mr. DITTER, Mr. PLUMLEY, and Mr. McLEOD, and myself, assisted by our efficient clerical staff, have spent many weeks on the hearings and in painstaking study of a large amount of pertinent economic and military data. We have been ably aided in every way in our hearings and studies by the personnel of the Navy Department who were assigned for the purpose.

The committee, in recognition of the superior economic strength of the United States, believes that a high obligation rests on the Nation to command the utmost means for its just defense. Civilization itself may be at stake. As a fundamental matter of national policy the committee further believes that in recommending appropriations for new capital ships that their size, speed, and armament should not be limited by principles of parity with other nations but that they should be made superior to any existing or pending construction insofar as this is practicable.

The naval appropriation bill for 1941 totals the sum of \$966,772,878, a reduction of \$111,700,000 below the Budget estimate. This figure sets a new record for peacetime proposals, exceeding the total appropriations for the current year by some \$51,000,000. This constitutes an increase of 5½ percent over the appropriations for the current fiscal year.

In justification of this vast expenditure, the first question that naturally arises is, "Whom are we going to fight?" The answer is, "Nobody, if the proper preparation is made and a strong, definite policy of defense is adopted."

Powerful currents of emotional opinion are today running against this policy in America; nevertheless, we cannot allow emotional opinion to be a basic influence in the making of defense appropriations. We are told that democracy is in danger. It certainly will be endangered by war. We must defend democracy by opposing war, unless forced upon us by the absolute necessity of defending the American Continent. It is well to now inquire into the proper limits of this defense.

The continental defense boundary was originally designed to be 3 miles from the shore line, this being the range of effectiveness of the best cannon of the time. In November 1793 Thomas Jefferson, then Secretary of State, informed the British Ambassador and also the French Ambassador that the President had instructed all officers under his direction, "that waters within our 3-mile limit were considered to be under the jurisdiction of the United States," but he specifically reserved the ultimate extent of our jurisdiction for future deliberations. The 3-mile limit is now certainly obsolete. Considerable testimony on the subject can be found in the hearings. It has evidently always been a definite national policy of Great Britain to leave her sea boundaries undetermined. By leaving them vague and ambiguous, the pretension to maritime sovereignty could be advanced and used as a political instrument when needed, and then relegated to the background without tarnishing the national honor.

The United States suffers from no such a situation. In my opinion, a delineation of the line of our responsibility is much needed, and the subcommittee commends the matter to the attention of the State Department. The continental shelf is suggested as such a line, as it bounds the source of nearly all of our sea-food supplies.

Basically, the present unsettled condition of world affairs, as well as the uncertainties facing our own Government, are essentially phases of the age-old and eternal struggle between the haves and have-nots. This never-ending contest happens to be in one of its most acute cycles.

Internationally the only ultimate adjustment seems to be through force of arms. The economic root underlying the vast expenditures and preparations for war, is the world-

wide demand for supplies of natural resources which modern civilization requires for national industrial prosperity.

This country is the richest in the world in the majority of these natural resources, as well as the richest in variety and quantity of food products. With only 7 percent of the world's population and 6 percent of the world's area we own or control nearly one-half of the world's raw materials. The United States cannot avoid the issue. It is part of our domain that is ultimately at stake. The United States is the world's largest producer, largest consumer, and largest distributor of these raw materials. Any approach to equalization with other nations means a shift of sovereignty on an unthinkable scale. Four-fifths of the world's industrial power lies on an axis extending in a comparatively narrow belt from Chicago eastward through central England and west central Europe, and most of the mineral resources of the world are tributary to this axis. The rulership of the world lies in the control of this industrial axis.

Before presenting the detailed naval estimates for the fiscal year 1941, I will further review briefly the background of events antecedent to this Budget.

In effect, let us step back until we can see the forest as distinguished from the trees. A longer view than political expediency is very necessary in considering this naval bill. From 1920 to June 30, 1936, the United States, in conformity with treaty obligations to its Allies of the last World War, Great Britain, France, Japan, and Italy, and under the terms of the naval treaties of Washington, 1922, and London, 1930, proceeded to maintain its naval position on a parity with Great Britain, on a 5-3 ratio with Japan, and on a 5-1.75 with France and Italy. In addition, the United States made certain political commitments in the Washington Treaty of 1922, which, in effect, permitted the other signatories already established in the Far East to fortify their positions therein, but, in the case of the United States, this right was relinquished during the life of the treaty. This concession, in retrospect futile and unnecessary, impaired our political position as an advocate of the open door in China and as being insistent upon equal trading rights in the area. It may be that it is in part responsible for the plight of China today.

It is well to remember that these decisions and commitments were made in the light of and closely after the end of the World War and upon the formation of the League of Nations. Internal politics at home played some part in the consummation of this political pact. Political leaders of the major parties in this country were unctuously bidding for the role of being the righteous, charitable, and bountiful doer of good deeds abroad with Government money and credit. The goose was hanging high, we were back to normalcy, the boom was on, why worry about the things that lay in the future?

But time marches on; the decade passed swiftly by, and in its wake, and due to the mistakes of the bountiful era, we now face the realities and the hardpan of the present.

Events have shown that, while the military and naval commitments of the past war treaties may have been well advised, only a hardy politician would dare to affirm the commitments of the Versailles Treaty or the Washington Treaty were well considered or that their consequences have eased the problems of the United States or any other nation in either international relations or in world trade. Commencing late in 1929, we began to produce a considerable surplus of cotton, oil, tobacco, corn, wheat, minerals, machinery, electrical devices and appliances, motor cars, tools, and textiles, and other things. There needs to be developed a market to consume these surpluses and, with foreign selling, there must be an exchange of money or goods. In the long run, there must be even a parity in all trade balance if the customer is to remain solvent. If there is an unfavorable trade balance with the buyer, there must be loans or capital furnished him from some source. To continue business we have found that loans to be profitable as an investment and paid at maturity must have adequate security.

The situation in Europe today has taught us that there also must be security for the very privilege of continuing national effort to profitably dispose of surpluses.

It is in the implications of this statement that we should view the Navy bill, and not in the political expediency of an election year.

Today many millions of people, including those of Italy, Germany, Japan, and even the Soviets, are governed by dictatorships. Aggression and conquest of weaker nations and seizure of their resources is as natural an expression of autocracy as the stalking of prey for food by predatory animals. Human history contains continuous record of such performances. The organization and employment of armies for effecting conquests appeals strongly to national pride and accustoms a people to severe regimentation, on the pretext of temporary necessity, while providing armed forces they cannot resist when later employed against them in suppression of domestic opposition. The law of survival of the fittest continues to rule the affairs of man, notwithstanding his efforts to raise himself above conditions which nature imposes on all living things.

Proposals for disarmament conferences and economic appeasements to stop war appear to be absolutely useless under present world conditions. The autocracies which have subordinated the individual to national needs cannot in any way subordinate themselves to foreign interests. Therein lies the element of greatest danger of destruction to civilization.

Events are taking place so rapidly that their implications are unpredictable. To review them: In 1931 Japan seizes Manchukuo; in 1934 Hitler seizes power, Germany rearms. In 1934 the Spanish revolution occurs, followed by civil war. In 1935 Mussolini's undeclared war in Abyssinia commences. In 1937 Japan's undeclared war in China takes the center of the stage. In 1938 Germany occupies Austria, then Czechoslovakia. In 1939 is the occupation and partition of Poland. Then Great Britain and France declare war with Germany. Russia exerts military control of the smaller Baltic states and in November 1939 invades Finland. A 5-year period of bloody struggles. It is well to bear in mind that every great power in the world, except the United States, is or has been at war in the last 5 years, and this year may see every power in Europe at war. There is no place for weakness in the totalitarian concept. Force is the only arbiter and the only court of appeal. In totalitarian theory, the seats in which you now sit are no more secure than your military power to defend them.

There is another type of reasoning often advanced in this Chamber. It is the one designed to create dissension and to oppose the interests of one group, class, or section to another. The subject of national defense cannot be viewed as a sectional matter. The support of the Navy is not the responsibility or of interest to the coastal population alone. I wish to emphasize that voting for the Navy bill is not voting against the laborer or farmer but for him. Labor and industry especially have always known and understood this fact. The labor group, organized and informed, has nearly always stood for national defense without regard to the party in power. The depression, if it has done nothing else, should enable the farmer to see that even the disposal of farm surpluses depends on markets and trade, and trade itself, in large measure, depends on the ability to hold our own when necessary in the field of world affairs.

Insofar as appropriations are concerned, the cut in the agricultural budget was relatively no more severe than the proposed cut in the naval budget. The Navy bill before you is not a product of militarism but a byproduct of the unrest in international affairs. It represents the concerted intelligent efforts of a bipartisan Appropriations Committee to preserve the mighty resources of our Nation and to keep the United States out of war.

Up to this year we have been engaged in an orderly building program designed to maintain our relative position as a world power. Under normal conditions our naval expense should have reached the peak by this time and then should have started to decrease had the war in Europe not broken out. As soon as the European war started the President strengthened the national defense by getting it ready for business and by asking for a revision of the Neutrality Act in

the special session of Congress. Ordinary precautions were taken. I am certain that they have the support of the electorate and were designed to keep us from aggression by being ready for eventualities.

This appropriation bill is designed to fully protect the Nation in any contingencies which may be reasonably expected to arise. In the report which accompanies the measure as submitted a complete analysis of the bill is given. Important features may be listed as follows: Naval appropriations for fiscal year 1940 amounted to \$915,360,249. Budget for 1941 was \$1,078,472,577. The bill recommends for 1941, \$966,772,878.

The summation excludes trust accounts amounting to \$2,430,000, which become available automatically and which are listed on page 37 of the report.

The estimates proposed a total strength of 152,000 enlisted men in 1941, and the committee has given careful consideration to this matter. The emergency supplemental bill provided a strength of 145,000 for the current fiscal year to man the additional vessels which have been put in commission in connection with the neutrality patrol, and the bill as reported makes provision for 150,000 in 1941. One of the deficiencies in our national defense has always been in the number of available trained men, and it appears highly desirable that we should increase the present strength of the Navy in order to provide training for as many men as possible. If a real emergency should occur and we were required to man every vessel to the limit on short notice, these additional trained men would be worth a great deal more to us in that extremity than the cost in dollars to the pending appropriation. The bill provides for a normal enlisted personnel of 125,000 as against 116,000 in 1940. This is on account of the new ships under construction, which will be placed in service during 1941, and may be laid at the door of the Expansion Act passed by Congress a few years ago. The additional number of 25,000 men is on account of the need for additional men in the neutrality patrol.

The Marine Corps has been provided with the strength of 25,000 men, as contemplated in the Budget estimate and as provided in the 1940 Emergency Supplemental Act. Of this number, 20,000, or an increase of 1,000, are provided for the normal strength and the additional 5,000 are provided on account of the emergency.

The Expansion Act of 1938 authorized a minimum of 3,000 airplanes by 1944, and the Navy will have available by July 1 of this year 2,863 planes. The procurement of planes has been proceeding at a much more rapid rate than necessary to reach the 3,000 figure by 1944; and, as a matter of fact, had the Budget estimate been approved in full, the Navy would have had in service or on order by July 1, 1941, in excess of 3,100 planes. The bill before you carries provision for planes to replace all planes which will have reached an age and condition during the year 1941 as to render them unsuited as so-called program planes, and also includes provision for 47 expansion planes for the Naval Reserve. The amount requested for 224 expansion planes for the Regular Navy has been deleted from the bill for several reasons.

In the first place, the Navy has found it necessary to reduce the training time at the Pensacola station from 14 months to 7 months in order to provide pilots as rapidly as required. Your committee is not convinced that this was a wise step. The planes being purchased by the Navy cost from \$60,000 to more than \$200,000 each. Every time a pilot takes one of these planes in the air, he is responsible for a considerable investment of the Government, not to mention the fact that he is responsible for his own and the lives of other Navy personnel. The greatest care should be taken to assure an adequate supply of sufficiently trained competent pilots, and the committee does not propose to recommend the purchase of planes over and above the present number if the too rapid expansion of the air arm of the Navy must result in sending those planes aloft in the hands of too hastily trained men.

The second factor involved is the question of obsolescence. It is no secret that frequently the various air services have purchased quantities of planes known to be of the very latest design and carrying the latest improvements at the time contracted for, but which were actually obsolescent upon delivery on account of new developments made in the meantime. Aviation is a new industry and is yet in its infancy. What the future may bring forth in the way of new designs involving range of operation, speed, fighting ability, and so forth, is wholly unknown; and it would not be good business for us to purchase a large number of planes for which we have no present need when we more than likely would find it necessary to scrap them and replace them with newer types when the emergency presents itself. In other words, there is no emergency confronting us at the present time which would require us to expand our air force beyond training and peacetime needs, and we might better save our money to spend on more modern ships when the need for them is in sight.

To consider a third factor, let us look for a moment at the capacity of our manufacturing establishments. It has been argued in past years that we should place orders for planes in order to keep our manufacturing plants in operation and have them in shape to produce large numbers of planes on short notice if we should become involved in war. A different picture presents itself this year. Our factories are in receipt of orders for large numbers of planes from foreign governments who are engaged in actual warfare. We can, therefore, look to these orders to keep our plants in operation and provide any necessary expansion of them and save this expense.

AVIATION

While no provision is made in the bill for purchase of expansion planes for the Regular Navy, there is included the amount of \$2,000,000 for purchase of planes in addition to the requirement for replacement and the 47 planes for expansion of the Naval Reserve strength. This amount is provided for the purchase of prototypes and other experimental craft, including those powered by Diesel motors. The war in Europe will no doubt result in many new developments in this field, and it is altogether possible that entirely new designs of aircraft will be produced. The Navy Department should have sufficient funds available to keep abreast of all new developments, and this \$2,000,000 for purchase of experimental aircraft, coupled with the appropriation for research and experimentation in aviation, \$7,500,000, ought to prove adequate for this purpose.

Autogiros and helicopters have never been extensively experimented with by the Navy. The Army is conducting experimentation with these two designs and is attempting to coordinate the work of all Government agencies in that field. No doubt there will be problems of a peculiarly naval aspect arise which the Navy should be equipped to investigate. Therefore in including the \$2,000,000 for purchase of experimental craft the committee has stated in its report that it desires \$50,000 of this money spent on autogiros and helicopters.

SHIP CONSTRUCTION

Another phase of this bill which is of general interest is the ship construction program, and this question has taken more of the time of the subcommittee than any other single question in the bill. We were confronted with the request for two additional battleships to be laid down in 1941 in addition to 22 smaller craft and for appropriations to continue work on 8 battleships and 89 smaller craft already under construction. The bill before you carries provision for all of these ships. The reductions which have been made by the committee and which are detailed in the report are based on a review of the requirements for carrying forward the program, and, in the judgment of the committee, these cuts will in no way impede progress of construction.

A major question considered by the committee was the type of capital ship to be constructed. Provision was made in the appropriation bill last year for two new capital ships, and it was contemplated that these ships would have a displacement of 45,000 tons. In reviewing this program in the light of later developments, the committee has inquired most minutely into

the characteristics of these ships as compared with those of ships being built by other countries. It appears, from the best information we have been able to secure, that these ships are just about the equal of foreign construction. As expressed in the report, it is the view of the committee that the United States, considering its leading position in the family of nations and its economic resources, not only ought to have as a national-defense measure but is in a position to build capital ships definitely superior as to speed, armor, and armament to any ship which we might be called upon to face in warfare. While provision has been made in the bill for continuation of construction of the 2 ships originally appropriated for in the 1940 act and initial appropriations are included for 2 additional capital ships to be laid down in 1941, it is the desire of the committee, as expressed in the report accompanying the bill, that the Department restudy the plans which have been prepared for the 45,000-ton battleships with a view to adding sufficient armor and armament and to increasing the speed of these ships to make them markedly superior to any known possible foe. Of course, these additions must mean increased tonnage—and let me point out that there is now no limitation either by treaty or by statute on the total tonnage, or on the speed, or on the armor or the armament of any vessel. We can build, under all existing statutes and treaty obligations, any size ship we desire, and I speak not only for myself but for the committee, which, after long deliberation, has arrived at a definite conclusion, when I express the view that we are practically wasting our money if we build vessels no better than those provided to oppose us when the expenditure of a small additional amount would give us a superior ship.

CAPITAL SHIPS

In considering the total tonnage of capital ships, consideration must be given to the cruising radius which a ship must have in order to meet the needs of the nation building her. For instance, Great Britain has many bases strategically located throughout the world where she maintains large stocks of fuel oil, ammunition, and other necessary supplies, and it is therefore possible for Great Britain to reduce the cruising radius of her ships below that which would be required of a United States vessel to operate on the same plane. This is a highly important factor as it enables Great Britain to reduce the tonnage of a ship which is given over to the storage of fuel oil and other supplies and use that tonnage in armor and armament. Therefore, a British battleship displacing 45,000 tons can readily be a more powerful fighting unit than an American ship of the same displacement. She may also be a faster ship than an American vessel of comparable size by the utilization of a part of this additional tonnage for horsepower.

Let me call your attention to a statement in the hearings on S. 2193 in 1937 in regard to the characteristics of battleships:

GENERAL CHARACTERISTICS

The fighting strength of a battleship is a combination of offensive power and the power of survival.

The offensive power depends upon the number and caliber of the guns carried. Battleships carry the heaviest guns that are mounted on any type of ships. The heaviest gun carried by any battleship afloat is 16 inches, and on ships of the maximum permitted displacement it is not possible to mount more than 8 or 9 such guns.

No modern ship, other than a battleship, mounts a gun larger than 8 inches.

If the London Naval Treaty of 1936 is ratified the size of the largest gun on battleships will be limited to 14 inches caliber, provided Japan and Italy accept this caliber before April 1, 1937. Should they not agree to this, the limit of size of guns on battleships becomes 16 inches.

By power of survival is meant the ability of a battleship to sustain itself at sea for long periods and to remain afloat and effective even after having received considerable injury.

The maximum size of battleships has been limited in former treaties to 35,000 tons, standard displacement, and if the London Naval Treaty of 1936 is ratified, this limitation in size will continue.

Because of its size, a battleship is able to carry the heaviest armor on its sides and its turrets to keep out armor-piercing projectiles that may strike in direct or glancing flight, and heavy and adequate armored decks to deflect the glancing blows from plunging shells and to break up the thin cases of bombs dropped from planes, so that they will spend their force in the open and not penetrate into the vitals of the ship. Protection from torpedoes and mines is obtained by adequate subdivision of the hull into small watertight compartments and by an elaborate system of pumping and drainage.

Size alone is a protection to a ship. One projectile or a bomb, or a torpedo, can carry only a certain amount of explosive. When the missile explodes it will destroy that part of the ship which lies within a definite radius. Consequently, the larger the ship, the smaller the proportion of her that is damaged by one shot. To illustrate the point, let us assume that the explosive in a missile will destroy 1,000 tons of ship structure. If the missile, then, should hit a 1,000-ton destroyer or submarine, it would destroy it; if it were to hit a 10,000-ton cruiser, it would destroy one-tenth of it, and if the same missile should hit a 35,000-ton battleship it would destroy one thirty-fifth of her. In reality, the larger the ship, the tougher she is—she has besides armor, heavier plating generally, and greater ruggedness throughout. The Battle of Jutland, fought in 1916, shows how much punishment a battleship can take and still remain afloat.

There were 28 British battleships and 22 German battleships engaged in that battle. Only one battleship was sunk, the old German dreadnaught *Pommern*. She was of only 13,200 tons, laid down in 1904, and hence her design was 12 years old at the time. The other 24 ships that were sunk were battle cruisers, which were much more lightly armored than the battleships of that day, and cruisers, and destroyers.

The British battleship *Warspite* in that battle received more hits from heavy-caliber projectiles than any other battleship. She received 13 hits. The battle was fought on May 31 and the repairs were completed on July 20, 50 days.

The German battleship *Koenig* received more hits than any other German battleship. She received 10 hits from large projectiles and was repaired by August 3, 64 days. No other type could have possibly survived such punishment.

The effect of damage by gunfire and by torpedoes in the Battle of Jutland was carefully studied by all nations, and all battleships designed since that battle embody the lessons learned in that battle.

The degree of protection afforded to the vitals of the battleship by armor is indicated by the small number of men killed in the battleships. The total number of British killed was 6,097, but only 123, about 2 percent, were killed on battleships. The total number of Germans killed was 2,545. The battleships suffered 948 killed, of whom 840 were on the one old battleship which was sunk by a torpedo, leaving only 108 from the other battleships.

The great size of the modern battleship permits her to carry a large number of smaller rapid-fire guns for defense against destroyers and an effective and large battery of antiaircraft guns and machine guns for defense against aircraft. Her size makes her a steady gun platform.

The cruising radius is the greatest of any combatant type of vessel, and it is capable of the greatest degree of self maintenance. It is capable of giving battle in practically any state of the weather or sea.

There is another provision in the bill which the committee desires to call to the attention of the Congress. This is a provision preventing the expenditure of any money from the appropriation for construction of new ships on ships which have been in commission more than 12 months. The practice of the Department in years past has been to take ships back into the navy yards for alterations long after the ships have been commissioned, and charge such alterations to new construction. It is not illogical to require that there be some check by Congress on this practice. In other words, there should be some date when a ship may be considered as finished. Two years ago the Congress included a provision in the bill prohibiting obligation of funds for such work after 12 months had elapsed from the date of commission. The provision, as written, has been more or less ineffective, as evidenced by the fact that the estimates for 1941 include \$5,522,521 for work on ships commissioned prior to July 1, 1939. The bill as presented carries the same provision in slightly amended form, prohibiting the expenditure of the appropriation for the construction of new ships for any work, including material, undertaken upon any ship more than 12 months after the ship has been commissioned. This provision is ultimately fair in that it allows the Navy 12 months from the time a ship is commissioned and taken out for trial runs to discover and rectify any errors in construction that may develop and to make any alterations necessary to provide a satisfactory ship.

RESEARCH LABORATORY

There is a real need for continued research and experimentation in naval problems, and the committee has increased the amount allowed for the Naval Research Laboratory \$250,000 above the Budget. The small amount to be spent by this laboratory—about \$650,000—will repay itself many times over in the new measures for national defense which will be developed by the laboratory. In years past this laboratory has contributed much to the developments in naval construction and armament and is at present working

on a number of very important problems for which adequate funds should be provided. The expenditure of sufficient money for research and experimentation should also result in considerable saving to the Government by reducing costs.

RESERVE

The Naval Reserve has not had the attention and support in years past which its importance in the national-defense program warrants. The committee has gone very thoroughly into this question, and it is our considered judgment that we can well afford to spend larger amounts in training the Volunteer Reserve, and we have, therefore, increased the appropriation for this purpose \$200,000 over the Budget. It will be noted that the Budget estimates include a considerable increase for the Naval Reserve, but this entire increase is to be applied to aviation, and it was the desire of the committee to provide additional training for the Volunteer Reserve, which would be called upon immediately in event of a threat of war. The policies of the War Department and the Navy Department with respect to the reserve forces have been directly opposite. The War Department has for a number of years encouraged and provided for a large Reserve army and has endeavored to keep that Reserve army adequately trained and sufficiently equipped to take its place in the battle line on short notice, whereas the Navy Department has not encouraged a large Reserve. As a matter of fact, the opinion has been expressed, and there appears to be some ground for it, that the Navy has actually discouraged expansion of the Reserve.

PUBLIC WORKS

The Budget estimates presented 55 new public-works projects to the Congress, and the committee has considered each of these items carefully, with a view to eliminating such as are not required or which might be deferred without serious consequences. There is no doubt that each of these projects would be well worth the cost and that each of them is needed by the Navy. However, faced with the necessity of reducing appropriations wherever possible, the committee has eliminated from the bill as reported all new projects which it appeared could be deferred for future consideration. This has resulted in a reduction of \$7,395,750 in the appropriation for these new projects. In addition the committee has reduced by 5 percent—\$1,800,775—the amount in the estimates for continuation of work on projects the construction of which was begun with prior appropriations. This cut will be applied by the Department.

One of the public-works items in the bill is a provision for improvement of harbors and channels in the fourteenth naval district at a total cost of \$3,000,000, with a cash outlay for 1941 of \$1,000,000. This work is proposed for the island of Guam. The work is necessary on account of increased air travel across the Pacific Ocean, as it is absolutely essential that American commercial planes make a stop at Guam, which is the only port of call open to American ships between Midway and Wake Islands and the Philippines, a distance of over 3,000 miles. The harbor at Guam has a number of coral heads, which should be removed in order to allow airplanes to land safely. In addition the harbor is frequently rough on account of swells coming in from the open sea, and a breakwater across the entrance to the harbor is necessary to provide a suitable landing area.

The bill as reported also includes provision for improvement of present water supply on the island at a total cost of \$325,000, of which \$125,000 is provided for in 1941. An urgent need for this water supply has been shown to exist, as at certain seasons of the year water rationing must be resorted to.

It has been claimed that any improvement in Guam will be taken as a hostile gesture by the nations in Asia particularly. I can see no such reason whatever. Guam is the property of the United States and has been administered by the Navy. Any improvements made there should properly and logically and economically be made by the Navy. The proposed improvements are only those things that are necessary to provide for the safe landing of our airplanes. The committee felt it would be taking a grave responsibility on its shoulders if it refused to vote for the appropriation for making this

harbor safe and there should be an accident involving the loss of even a single life.

Mr. Chairman, I have attempted to cover only the more important phases of this measure in the few minutes at my disposal. Detailed information as to the various items has been included in the report which the committee has submitted with the bill. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SCRUGHAM. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. The gentleman has stated that the committee could find in the report an explanation with regard to the reduction in the appropriation. I desire to call the attention of the gentleman to page 10 of the report. I have not had time to read the entire report, but I have read this far in it. It states:

In addition to these reductions, the committee recommends a reduction of 10 percent in the total remaining amount estimated for the two bureaus—

That is, Construction and Repair and Engineering.

Mr. SCRUGHAM. Yes.

Mr. VINSON of Georgia. The report continues:

This reduction is to be applied in the discretion of the Department.

Is the committee justified in reaching the conclusion that that is just an arbitrary reduction of 10 percent, because there is no explanation of how you arrived at it?

Mr. SCRUGHAM. The committee was justified in making a 10-percent cut because we believe that the amount could be properly eliminated from the estimates in question. Due to the character and the large number of items concerned and the variable factors involved, it is almost impossible to detail the exact items in which cuts should be made. The general reductions in other major items certainly warrant similar reductions in these items.

Mr. VINSON of Georgia. Does not the gentleman at least believe he should give the Committee of the Whole an opportunity to see how he arrives at the figure of 10 percent? It is rather unusual to say in an appropriation bill, "I will arbitrarily reduce this bureau 10 percent and then the bureau can administer the reduction."

Mr. SCRUGHAM. We thought it was desirable to do that because the estimate proposed large increases over current appropriations for general repair work. The Navy Department was not able to tell us exactly what they proposed to do with the appropriation, as they do not know what work may be necessary during the year. I might say this is one of those appropriations which will all be spent, whether we appropriate one dollar or a hundred million dollars. After careful consideration, the committee determined that 90 percent of the amount requested should be sufficient to meet all requirements during 1941.

Mr. VINSON of Georgia. Yes; but following that same line of argument, it would mean that the appropriation is so justified that you could not segregate it and bring about a 10-percent reduction.

Mr. SCRUGHAM. No. There is no other line of naval activity that contains such an infinite number of details as the items given in Engineering and Bureau of Construction and Repair, and the naval authorities themselves could make no detailed segregations. For that reason, instead of attempting the almost impossible task of taking each one of the tens of thousands of details and applying cuts, we thought we would leave details to the judgment of the authorities of the Navy.

After a full consideration of all evidence presented in the hearings, the committee is of the opinion that it will not cripple the Navy in any material way to make a reduction of 10 percent in these activities.

Mr. VINSON of Georgia. In view of the first statement of the gentleman about economy and the national debt and the desire to hold down appropriations, I was under the impression that because other committees are doing so, this committee just arbitrarily reduced these two bureaus 10 percent to help bring that about.

Mr. SCRUGHAM. I would not say it was arbitrary.

Mr. DARDEN. Mr. Chairman, will the gentleman yield for a question?

Mr. SCRUGHAM. Yes.

Mr. DARDEN. Will the gentleman be kind enough to give us some information with regard to auxiliary fields requested by the Navy?

In the development of the Air Service and the Bureau of Aeronautics of the Navy the present regular naval aviation establishments are greatly overtaxed. To the end of expanding them, the committee last year authorized or recommended legislation which subsequently authorized the purchase of certain outlying fields that could have been purchased at very reasonable prices. The sum of money set aside for this purpose on both the Atlantic and the Pacific coasts was a modest sum. Our present facilities are not sufficient to take care of the planes of the fleet.

Mr. SCRUGHAM. As I recall, we had \$70,000,000 appropriated for aviation expansion last year. We have never had any complaint from the naval authorities that they were seriously handicapped with respect to lack of landing fields. To the best of my knowledge and belief the Navy is well provided for in the matter of landing fields, even though some of them are rented.

Mr. DARDEN. I am not talking about new stations, but the auxiliary fields for the stations. There was an item authorized of approximately \$70,000,000, which was not for large fields but small fields that are needed as outlying fields for the present stations.

Mr. SCRUGHAM. Let us take them up one by one. At Pensacola they have Saufley Field and Corey Field as new fields. I think they have been purchased under the authorization, and to the best of my recollection they have other smaller fields.

Mr. DARDEN. And Felton Farms is being completed?

Mr. SCRUGHAM. The auxiliary field at Norfolk, I think, is rented, and the same applies to the auxiliary fields at San Diego. There is no provision for their purchase.

Mr. DARDEN. There are no auxiliary fields provided for at Norfolk or at San Diego. They were the two operating stations I had in mind.

Mr. SCRUGHAM. I think they are taken care of by rental. Owing to the changing conditions and increasing landing speeds of planes, it is deemed unnecessary to go to large expense for auxiliary landing fields, which later may become obsolescent. The needs are now provided for by use of rented fields.

[Here the gavel fell.]

Mr. SCRUGHAM. Mr. Chairman, I yield myself 5 additional minutes.

To the best of my knowledge and belief these stations are all taken care of.

Mr. DARDEN. If it should develop that they are not, would the committee give sympathetic attention to going over the needs of both San Diego and Norfolk?

Mr. SCRUGHAM. I do not believe there is such a great rush about purchasing auxiliary air fields. I have visited most of these places and have tried, to the best of my ability, to find out what was needed. I have never heard of any urgent need for auxiliary fields which was not provided for in some way.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield for another question?

Mr. SCRUGHAM. I yield.

Mr. VINSON of Georgia. In the appropriation bill the last proviso prohibits any money from being used for the alteration of the 36 top-heavy destroyers.

Mr. SCRUGHAM. Is that section 6?

Mr. VINSON of Georgia. Yes. I am wondering if the House is to understand that while the defects exist in these destroyers, you are going to let them continue in that shape and not permit them to repair them?

Mr. SCRUGHAM. In the testimony of the Chief of the Bureau of Engineering and the Chief of the Bureau of Construction and Repair, in reply to questions of the committee, as to where the money was coming from to pay for the

restabilization of the faulty destroyers, they stated they had sufficient funds already appropriated for the purpose, and they further stated, and it is a matter of record in the hearings, they would not need any money from the pending appropriation bill. In order to make it perfectly clear that none of this appropriation was to be paid to rectify the errors that paragraph was included.

Mr. VINSON of Georgia. Then it is understood that out of supplemental money or other appropriations the money for this purpose is to be taken?

Mr. SCRUGHAM. Yes; and there is testimony to that effect in the hearings.

Mr. VINSON of Georgia. The other question I want to call attention to is with reference to limitation on expenditures on ships in commission. I thoroughly agree with your objective, but does not the gentleman think that the way it is worded it will force these contractors to go to the Court of Claims and no money will be saved whatsoever? I grant you that your objective is well founded, but I am simply apprehensive that you are going to force them all into the Court of Claims to file their claims for finishing out their contracts, because you provide a time limit.

Mr. SCRUGHAM. In answer to the gentleman's question, let me read from the report on page 8:

It does not seem illogical to provide some check by Congress on the length of time that money from the appropriations for construction of new vessels can be used on such ships after commissioning, and it certainly would seem that 12 months should afford ample opportunity to make all necessary tests and complete any incidental work required. The accompanying measure carries the provision quoted below in slightly amended form. The words in brackets have been deleted by the committee, and the words in italics have been inserted:

"Neither the appropriation 'Replacement of naval vessels, construction and machinery,' nor the appropriation 'Replacement of naval vessels, armor, armament, and ammunition,' shall be available for [obligation] expenditure for any [purpose as to] work of any character (including material) undertaken upon ships commissioned prior to July 1, 1939, nor as to any ship commissioned subsequent to such date after 12 months shall have elapsed from commissioning date."

We felt it was only good business to set some limit.

Mr. VINSON of Georgia. I agree with the gentleman entirely; but does he not think that the committee has set a limit of too short a time?

Mr. SCRUGHAM. No.

Mr. VINSON of Georgia. From the information I have had on this subject, it will be at least 18 months or 24 months before all the claims are filed or before the matter can be finally adjusted.

Mr. SCRUGHAM. Both the hearings of this year and of last year have been considered, and the mature judgment of the committee is that 12 months' time is sufficient.

Mr. VINSON of Georgia. I think the gentleman's judgment is probably too severe with respect to the length of time required.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I regret that I have not had more time to study the committee report and the hearings on this bill, but this is the way these things come to us and we have to make the best of it. I rise to make just a few observations in connection with the appropriations that have to do with the island of Guam. It seems to me that from a long-pull standpoint, we should do whatever is necessary in the way of providing equipment on Guam to facilitate the movement of passengers and freight by airships. While I voted against the appropriation in the bill that came up last session, I have in mind that I may support the proposition if there is a test vote in this present bill. I think that as we move closer to the independence of the Philippines that the people of the United States, as well as the Filipinos, will take on a more serious attitude insofar as naval and military defense of the islands are concerned. If the Asiatic war troubles continue and perhaps increase, as we move toward July 4, 1946, our people will have to reach definite conclusions as to whether or not we are to step out of the Philippines from

a military and naval standpoint, and let occur in the Far East whatever may take place as a result of our complete withdrawal, or reach conclusions as to whether or not we go back into the Philippines from a military and naval standpoint in the event a major far eastern power decides to move into the Philippines against the desires of the Filipinos, or with their cooperation. If the thought is in the mind of some of the Filipino leaders that we will furnish them military and naval assistance subsequent to their obtaining independence, that is something for the United States to become concerned about. On the other hand, if the Filipinos are in position to make their own economic situation work out satisfactorily, with whatever trade agreements they may arrange with us, or whatever trading arrangements they may bring into operation through the exchange of goods between the Philippines and the United States on a free-of-duty basis and at the same time take care of their own military and naval defense directly or in conjunction with some other foreign power, then that is something additional our people can well be concerned about. So it seems to me that this proposition with reference to Guam has something to do or, as a matter of fact, has directly to do with our present connection with the Philippine Islands, and also whatever connection we may desire to continue with, subsequent to the granting of independence, economically and politically.

It is from the Philippine aspect that I approach the fortifying of Guam when the question of fortification comes up; or if the question never comes up, then proceed with such commercial equipment as we desire there, and as we need, in order to maintain our air service between the Pacific coast and the Philippine Islands and our interests in China which our present foreign policy, so generously supported by the people, is now aggressively defending.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. CASEY of Massachusetts. Before the gentleman leaves Guam, does he understand that this bill makes no provision whatsoever for the fortification of that island, but simply provides for a safe landing place by eliminating some coral reefs and building a breakwater, and that whatever we do here with regard to this appropriation, planes will continue to land there; and unless we take care of it in this bill to make safe landing places, lives will be lost and planes wrecked? It has nothing to do with military fortification.

Mr. CRAWFORD. That is what I understood.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. SUTPHIN. If I understood the chairman correctly, he said that the aviation activities there at the present time are largely commercial.

Mr. CASEY of Massachusetts. That is correct.

Mr. SUTPHIN. Then is this not a subsidy for a commercial line if they are the only ones using it?

Mr. MICENER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. MICENER. If that is true, why include this item in a national-defense bill? If it is a harbor development, that should come before the Committee on Rivers and Harbors. If the gentleman from Massachusetts has stated the matter correctly, certainly the item has no place in a naval defense bill.

Mr. CRAWFORD. I would not take exception to that observation.

Mr. CASEY of Massachusetts. I might say to the gentleman from Michigan [Mr. MICENER] that I think the Navy has the facilities much better than any other organization to take care of this type of project, eliminating coral reefs and deepening the harbor and making it safe. It does not make much difference what department takes care of it, it seems to me.

Mr. MICENER. Oh, it is very material as a matter of jurisdiction what department takes care of it. Rivers and harbors are looked after in the House by the Committee on Rivers and Harbors, and the Naval Affairs Committee looks

out for our naval defense. It seems to me it is begging the question to say that it does not make much difference what committee has jurisdiction.

Mr. CASEY of Massachusetts. I might say further to the gentleman from Michigan [Mr. MICENER] that of course Guam is under the Navy. The Army has nothing to do with it. The Navy is equipped to take care of this work and can do it more economically than any other branch.

Mr. MICENER. But the Navy cannot do anything in Guam under its authority except it is used in connection with national defense.

Mr. SUTPHIN. If I might answer the gentleman from Massachusetts [Mr. CASEY] the Navy did not do the actual work on the other stations. They gave it out under cost-plus contracts in Alaska and at Midway and Wake Islands. They were all private contracts. The Navy did not do the work.

Mr. MICENER. That would be the same thing here. The Army engineers and river and harbor engineers are far superior to any engineers of the Navy to develop a harbor.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CASEY of Massachusetts. Midway and Wake were not let out on contracts. They were handled by the Navy.

Mr. SUTPHIN. Oh, no. I have the name of the contractor who did the job.

Mr. CRAWFORD. Now, Mr. Chairman, we started out with the Philippines. For years we kept them under the War Department. Now we shift them to the Department of the Interior. Why they should be put under the Department of the Interior is beyond my comprehension, but that is the way we do things. Now here is a proposition where we are shifting the harbor improvements of Guam away from rivers and harbors to the Navy Department. The men who control these situations have reasons for them. I think it is perfectly in order for us to question those reasons. But, as I view the far eastern situation and our relation thereto, as tied in through the Philippine uncertainty and the Philippine problem, I do not become too technical on a point such as is now before us.

I approach Guam almost entirely through the Philippine gateway—what is our objective relative thereto? I am rash enough to make the statement that I think it is only a matter of time, and long before independence is granted under the present Independence Act, that you will proceed to fortify Guam on a big scale, and I think you will be giving serious consideration to the question of fortifying the Philippine Islands before we are out of them. It seems to me that is about the way things are moving in the Far East. To me it all ties in with our far-eastern policy.

Mr. MICENER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MICENER. Does the gentleman favor carrying out the Philippine independence law as it now stands, and getting rid of the Philippines, or is he in favor of our continuing to remain in the Philippines and fortifying the Philippines?

Mr. CRAWFORD. If the United States will proceed to give the Philippine Islands their independence in accordance with the present bill and wash our hands completely of all Philippine responsibility, economic, military, and from a naval standpoint, and keep the signatures of our officials off of agreements to the effect that we will guarantee and protect the neutrality of the Philippines, then I am in favor of our proceeding as now outlined. Otherwise, I reserve my opinion on the matter.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. RICHARDS. Do I understand the position of the gentleman to be that he is in favor of this Guam provision because he believes and understands it is a forerunner of the actual fortification of Guam?

Mr. CRAWFORD. No. I am somewhat in favor of it for two reasons. One is I think it is worth something to our country from the standpoint of national defense to have this clipper service which is now in operation, which we will call

a commercial service. And as we use Federal funds to subsidize other types of operation, both on water and on land and in the air, I am not so particular about the fact that we are subsidizing a commercial operation as now carried by whoever owns the China Clipper service or the Philippine Clipper service, or whatever it is called. It is all very closely connected with national defense. So, if we are to get completely out of the Philippines, kiss them good-bye politically and economically and from a military standpoint and from a defense standpoint—when I say “economically” I do not mean to treat them dissimilarly to what we treat other countries. I think they are entitled to as good treatment as we give the Cubans, and I will say even a little better than we give the Cubans. So I think that explains itself. I see no reason why we should not proceed to provide these commercial facilities at Guam.

Mr. RICHARDS. Will the gentleman yield further?

Mr. CRAWFORD. I yield.

Mr. RICHARDS. The gentleman will admit that the purpose behind this thing is practically the same thing that was behind the authorization in last year's naval appropriation bill, which was defeated by the House of Representatives?

Mr. CRAWFORD. I think this is the beginning, with more to come.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes; I yield to the gentleman from Minnesota.

Mr. MAAS. Is there not a considerable difference? This is for harbor dredging. A year ago it was for shore construction and a number of other things in addition to what is in this bill. This is simply harbor dredging.

Mr. CRAWFORD. I interpreted the gentleman's question as being very broad fundamentally when looking toward future development.

Mr. RICHARDS. I will say in reply to the gentleman from Minnesota, who is a very able member of the Naval Affairs Committee, that according to my recollection there is no difference. There is a difference in words, but last year's provision was for harbor improvements. This is for dredging the harbor. It was argued here in Congress last year that the harbor improvements in view at that time were dredging operations.

Mr. MAAS. Mr. Chairman, to keep the record straight, last year's proposal did also include shore development, which is not included in this proposal at all.

Mr. RICHARDS. There is a provision just down below that does provide for shore development.

Mr. MAAS. Not in connection with the item that was in the bill last year.

Mr. RICHARDS. There is “water supply.”

Mr. MICHENER. Then if the gentleman is correct, the matter should go to the Rivers and Harbors Committee, because if there is no improvement except river and harbor improvement, it should go to that committee.

Mr. MAAS. They do not need an authorization at all. This is an appropriation. They need no authorization to do this harbor work. This is authorized under the general law for the fourteenth naval district. This is an appropriation.

Mr. MICHENER. I did not understand it that way.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 10 additional minutes to the gentleman from Michigan.

Mr. CRAWFORD. Mr. Chairman, going ahead with the other point which I wanted to develop and which to me has as much to do with national defense as do our Army and Navy appropriations, I wish to refer to some of the remarks in the President's address of last Saturday afternoon to the National Citizenship Institute of American Youth. I am quoting from the President's remarks as published in the Sunday Star. He said:

I have said on many occasions that the greatest achievement of the past 7 years in the United States has been * * * the awakening of many millions of American men and women to an understanding of the processes of their own governments—local, State, and Federal.

We know that the prosperity of the 1920's can properly be compared to the prosperity of the Mississippi bubble days before the bubble burst, when everybody was money mad, when the money changers owned the temple, when the Nation as a whole forgot the restraint of decent ethics and simple morals, and when the Government in Washington gave completely free rein to what they called individual liberty and the virtual ownership of government itself by the so-called best minds which wholly controlled our finances and our economics.

The President a little further on in his address, speaking of our exports, said:

Our exports for the calendar year 1932 were worth \$1,600,000,000. In 1939 they were worth nearly \$3,200,000,000, an increase of 97 percent.

He also pointed out that we have not solved the problem of old people, stating that the solution of the problem was evolutionary. He said:

We have made beginnings with the Old Age Pension Act, but we know that it is only a beginning and that through the next 10 or 20 years the system must be extended and improved. “Ham-and-eggs” and other plans will not do it because they are all open to the simple objection that they either print so much paper money that the money would soon be worthless or that the whole burden would be placed on the shoulders of the younger workers.

When the President made those statements he knew that since 1934 we have purchased, in round figures, \$10,000,000,000 worth of gold; and, of course, this purchase increased our export trade. Taking his own words, we know that his policy and the administration's policy has been to trade goods for gold, and that has been the great contributing factor to this increased export of goods.

The people went along with President Wilson when he traded goods for I O U's. In the last balance sheet of the United States Government published by the Comptroller General you will find a little over \$14,000,000,000 reflected in the balance sheet as assets which we accepted in payment of those goods. You can draw your own conclusions as to how much those I O U's are worth. Personally, I do not believe they are worth 1 percent of the valuation carried in the United States balance sheet.

Mr. Roosevelt supports the policy of trading goods for gold instead of I O U's, and as we trade goods for gold our exports increase; and so far as use by our people is concerned, the gold we are receiving for the goods is about as worthless, in my opinion, as the claims reflected in the balance sheet to which I have referred.

The President also knows that the British Empire consisting primarily of Canada, South Africa, and Australia, so far as gold is concerned, together with Japan and Russia, keep the trap baited with gold and the administration goes along with it. I hear you say: “If that is true, why does the President follow such policy?” Well, it is the easy way to do it, it is not the way out, but it is the easy way. We could trade our goods for critical and strategic goods we really need, such as tin, rubber, and coffee. We could even trade more goods to Cuba for the sugar we take from Cuba and pay them less cash, if we wanted to do so.

We could purchase investments in our industries which are held by foreign nationals, and thereby recover control of our own factories, mines, railroads, and utilities. But, the President goes the easy way—and by this I mean he buys gold through the banks and he does it in such a manner that the people do not understand just what is going on. But the President knows all about the details. He has experts who can keep him informed. He knows almost every major country in the world benefits through his gold-buying policy except the good old United States. Oh, yes; we place a high dollar value on gold; we stabilize the export dollar price; we guarantee prosperity to the gold-producing countries for all the new gold they mine and for all the old gold they dehoard or melt up.

He buys more gold we do not need; which we do not use; and as it grows in volume it takes away the earning power of the savings the old people have accumulated down through the years as they worked and economized and denied themselves the little luxuries they might have so much enjoyed, and all to the end that they would not be dependent upon the poorhouse when they approached the sunset of life.

Oh, yes; by bringing this gold in and financing it through the banking machinery it makes it quite easy for the administration, for the President, and so very advantageous to all the gold miners and shippers from other parts of the wide world. Individuals, at least not very many of them, do not have to be consulted for their private decisions as would be necessary, if we were trading goods for goods. By bringing the gold in through the banks it can be paid for with paper money (sure, with check money) and few people know what is going on. If real paper money (by this I mean currency) was issued and released into circulation in payment for the gold, millions of people would know about that and understand the transaction. And of course, many would say that is inflationary and must not be permitted. If too many said that, it would create political embarrassment for the President and his administration. But let me say to you with all the emphasis possible, such a method of payment for the gold that flows to us in unceasing streams would be no more damaging or destructive or dangerous than the very way the President is now financing his gold purchases. The President knows this also.

The President talks to the young folks about the welfare of the old people. He tells them about the low interest rates. He speaks of the great increase in exports and the rise in production. And while the President talks to the young folks, more gold comes in; paper dollars in the form of credits are issued therefor, the excess reserves of member banks rapidly rise, the banks demand more and more Government I O U's, the Federal debt increases, the Secretary of the Treasury says, "Government credit is at the top," the earning power of savings declines and the bondholders obtain a stronger hold on the people. These factors all have to do with the exports about which the President bragged—goods for gold.

The rate of interest, the earning power of investment, the earning power of savings accounts and insurance policies declines, and it becomes more impossible for those with savings to live on the lower interest rates which are paid, and the lower interest rates about which the President bragged last Saturday afternoon.

Yes, Mr. Chairman, we have made a great error in setting the price of gold at \$35 an ounce. The President makes a greater error in recommending that we continue the policy of buying more gold we do not need and cannot use. He knows it will encourage inflation to destroy the equities of our people of the middle and lower economic groups. The President understands our banking laws. He knows what a gold base of \$16,000,000,000 held by the 12 Federal Reserve banks would permit under present laws, if the money changers—the bankers—ever permitted their anxiety to make money to cause the credit expansion possible with this large gold base and operating under our fractional reserve system. About this, I shall say more at a later date. But once Federal Reserve notes are held lawful money to serve as a base or as reserves of the Federal Reserve banks for deposits held by them and to the credit of the member banks, the green lights will then be shining for an expansion of commercial credit and demand deposits of astounding sums. And, if Federal Reserve notes are not lawful money in the meaning of the Federal Reserve Act, just what kind of money are they? And if Federal Reserve notes can be issued at a ratio of two and one-half times the gold base held by the Federal Reserve banks, cannot there be issued approximately \$40,000,000,000 of such notes? If the \$40,000,000,000 of notes can be issued and if they are held lawful money, then what is to prevent the expansion of hundreds of billions of commercial credit if the bankers' judgment ever becomes distorted in the manner it did preceding the bursting of the Mississippi bubble and the days of the money changers referred to by the President in his Saturday afternoon address? Protecting price levels and the earning power of thrift and the equities of our people are as essential to our general welfare as are floating navies and standing armies.

As the President promotes policies which destroy the interest rates earned by savings, he strikes at the very heart of our private enterprise and capitalistic system. Is it rea-

sonable for us to assume investments in the form of stocks and bonds are to pay returns if those in the form of savings accounts and insurance contracts will not?

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. ANGELL. Is it not also a fact that there is a fictitious price on the value of gold of \$35 an ounce instead of \$20.67? Gold produced in Russia costs \$11 an ounce. This means we are paying the Russians three times what it costs them to produce their gold.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I have been a Member of the House of Representatives for 9 years and I have never been so depressed since becoming a Member of this body as I am at the present time. Why have I become depressed? Is it because of personal reasons? Not at all. Is it because I am worried about this country? Yes, Mr. Chairman, that is the reason I am depressed now. I am deeply worried because if we proceed along the lines followed the past 5 years in connection with the operation of our Government it will eventually lead to our downfall. I cannot see a ray of hope unless we do differently from what we are doing at the present time.

No one is more sympathetic toward the proposition of taking care of the people of this country who need food, clothing, and shelter than I am. I will go to the limit in that respect, insofar as it is sensible and sound. But I believe that the people themselves should work, earn money, and save in order to be able to acquire the necessities of life and the happiness and enjoyment that goes with good healthful work. That should be the object of every individual citizen of America. I think it is the duty of the Government to see that our citizens have the opportunity and chance to work. The duty devolves upon the legislators of America, not only in the House of Representatives and Senate of the United States but in every legislative body of every State in the Union, to see that those advantages are given to its citizens.

But, Mr. Chairman, we have created bureau after bureau. We have permitted these bureaus to become so top-heavy and so burdensome that they will fall of their own weight—then the Nation itself will topple over. The very foundations of our Government will become unstable and our national life will be ruined. We will lose our present form of government and a dictator will follow. We have had 150 years of national life enjoyed by the American people. Now, we see an onward rush in the way of bigger bureaus and greater departments of Government, doing things and performing functions to an extent that, if continued, this Nation will be wrecked financially, and when we wreck the financial stability of the Nation the very form of our Government will be lost. If this happens, we will have a government such as we know not befall us.

After 150 years, America has shown itself to be the greatest Nation on the face of the earth. Mr. Chairman, we have been and we are going far afield of the intention of our forefathers. We are inviting trouble, and I make that statement in all sincerity. I have heard many Members of Congress make the statement, "Let us go on. Let us see what is going to happen. Let us repudiate our debts." The man who makes that statement has not very much backbone. He has a wishbone where his backbone ought to be. He has not the stamina that a good, sound American citizen ought to have, let alone a Member of Congress.

Mr. Chairman, I have quoted many times from various speeches made by the President of the United States, but I am going to quote again. I think this is one of the most sensible statements that President Roosevelt has ever made. This is taken from a speech delivered by the President in Pittsburgh, Pa., on October 19, 1932:

The credit of the family depends chiefly upon whether that family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good.

If Government lives beyond its income for a year or two, it can usually borrow temporarily at reasonable rates. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending; if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy.

America is on the road to bankruptcy. It is not far off. Are we going to stop it? To give you concrete evidence of that fact, may I tell you that, at the present time, we have a national deficit, according to the Treasury statement of February 8, 1940, of \$42,219,115,506. Since July 1 last year we have gone in the red to the extent of \$2,437,133,055. We have heaped deficit on deficit during the last 10 or 12 years, yet we have as many unemployed men today as we had 10 years ago. We have been working hard trying to find employment for these people for 10 years, in Government service, but have not succeeded. Something is wrong. We should change the late laws. I could cite a lot of things here, but they might be interpreted as being political, and I do not want to be political today. I just want to be as sincere as I can, and I hope to have the hearty cooperation of the Republicans and Democrats alike in solving this problem.

One of the first things to do in this direction is keep our appropriations within bounds. Today we are asked to consider an appropriation bill for the Navy Department. Let me give you some of the increases that have been made in these naval appropriation bills during the last few years. In 1936 we appropriated \$432,859,729; in 1937, \$528,543,000; in 1938, \$519,320,000; in 1939, \$623,620,000; in 1940, \$778,488,000, in addition we had a supplemental appropriation of \$145,047,000. This made a total for last year of \$924,000,000. We appropriated for the Army last year \$874,876,000. This makes a grand total of \$1,798,400,000 that we appropriated for the Army and Navy. Think of that, Mr. Chairman—\$1,798,400,000 for the Army and Navy last year! I am not a pacifist but I believe we are going wild in preparation for war.

A naval appropriation bill is now presented to us carrying \$966,772,878, which is a larger amount than last year. I presume we will have a corresponding increase in the Army appropriation bill.

It is true that the world is in bad shape on account of war, but I question very much that the United States will become involved in that war over there if we do what we ought to do. We are not going to send any of our boys across the sea. I cannot conceive of anything that my happen in Europe, Asia, or Africa that would make it necessary for the United States to send even one boy across the sea with a musket on his back, or that would compel America to send its Navy over there to defend anything, because we have no possessions over there. I will give you my word now that there is no band that will make such good music, and there is no amount of oratory that will convince me I should vote to send our boys across the water. I just am not going to do it. And my reason is I am more interested in American boys and girls than in any others in the world and I am interested in the United States more than any other country in the world.

We have an item in the bill to improve Guam, near the Chinese coast. Let us give the island away before our improvement and fortification gets us into war. Let us stay away from Europe, Asia, and Africa in any possessions of real estate.

What are we doing in our other appropriations? We are trying to cut them below what we call the Budget or keep them within the Budget. However, when the bell rings at the end of this session I question very much whether we will not have gone above the Budget estimate in the sum total of our appropriation. Certainly we will be a billion over a balanced Budget.

I believe the Members of Congress have a better feeling and a better spirit today of trying to keep expenditures within bounds, but I question whether we have enough intestinal fortitude to say to some of our constituents back home when they ask for this and that thing that we do not believe our National Government should go any deeper in debt. I promise the Congress now that I will not agree to anything the people back home may want if I believe it is wrong and

will lead to our financial downfall, and I have tried to be conservative in that. I believe you, as Members of Congress, must be conservative, must possess business ability in spending as well as in taxation.

I have had the Post Office Department try to build post-office buildings in my district, where we have had good facilities, good post-office buildings which are rented, furnished, heated, lighted, and furnished with janitor service, by individuals at a cost the Federal Government could not match. If a post office were built it would be at an advance in cost of from 300 to 400 percent. That is sensible business procedure. I have gone down to the Post Office Department and told them I did not want those post-office buildings constructed, because I do not believe the Federal Government is in a position to do things like that now when there are other localities, which may not have such large receipts, where it would be better if the Government would build post offices there and more practical.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Pennsylvania.

Mr. GROSS. I wish to tell the gentleman that in my city of York an annex to the post office is being built, and they have torn down one of the best post offices in the United States. They just have a wreck there that will cost the Federal Government about \$300,000. Every man in the city is damning the proposition as a reckless expenditure of money that no one can explain.

Mr. RICH. I am against extravagance and waste in Government any place. There has never been so much extravagance or so much waste as there has been in the last few years and as is going on right now in the departments. I have interrogated men from the departments in connection with the hearings on appropriations lately, and I find that these men who ask for funds for the operation of their departments are interested primarily in seeing how much money they can get out of the Government so they can increase the scope of their departments. When you ask them what they are trying to do to see where we will get the money back to help defray the expense of the department, they say, "That is not our function; it is the function of Congress." I have told these men from the Government bureaus who are interested only in spending—and I tell you now that they are only going to wreck their own jobs, because eventually the departments will fail; when the Government fails the departments fail—and then they will lose their jobs by virtue of the fact that their Government will be ruined.

When you think of the large number of buildings we are erecting, when you think of the added costs that will be placed on future generations of taxpayers, when you see our Government employees doubled in 7 years, when you think of the increase in the size of the Army and the size of the Navy—and I may say I do not fear any foreign country's coming over here to attack us—why should we do what we have planned in this naval appropriations bill right now?

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Pennsylvania.

Mr. RICH. We have in this bill and with what has already been authorized 10 battleships under construction. We will have 9 cruisers, 3 aircraft carriers, 50 destroyers, 26 submarines, 2 destroyer tenders, 3 seaplane tenders, large, 6 seaplane tenders, small, 2 submarine tenders, 3 minesweepers, 2 oilers, 3 fleet tugs, 1 minelayer, and 1 repair ship. Much other equipment, airplanes, and so forth, and so forth.

This morning I asked our Committee on Appropriations if anyone on that committee knew what the cost of upkeep of this Navy would be 5 years from now when these vessels are either completed or are still under construction, and nobody there could tell me. I have tried to find that out from the Government officials, but I cannot find anyone who will prognosticate or even give you an idea of what it is going to cost. I can see a great increase myself in personnel and expenses.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I consider the gentleman one of the most successful businessmen in this House, with one of the finest economic minds. I wish to ask him this practical question, man to man. The gentleman runs a business. I run a business. With our situation as it is this very moment, on what basis of fact can the gentleman or I or anyone else who really thinks, make an accurate forecast of the cost—I am talking about dollar costs and overhead expenses—of operating a large plant in the form of buildings, machinery, and concrete, or a large plant in the form of a battleship, 2, 3, or 5 years from now? On what basis of fact can one make such an estimate?

Mr. RICH. We have some idea of what it costs to operate a battleship now. Somebody could recapitulate the figures for these ships and give us at least a smattering idea of what it is going to cost to operate them.

May I say further to the gentleman from Michigan that I asked the Chairman of the Committee on Appropriations to get the Committee on Ways and Means to sit down with his committee and talk this problem over. I have advised it in the House many times. The purpose is to get a well-rounded idea of what it is going to cost in a business sense to operate this Government, from the fact that we have gone on with this spending program of enlargement. Wise businessmen would do things in that way, and I think that we could have a better idea of the situation if we did that. We should know how much we have to spend before we spend it, or at least how we can obtain funds to spend. But if we go ahead and build and build and build, and it gets so topheavy that our taxpayers are unable to stand the load, and pay for the upkeep, the whole thing will topple over and we will go smash.

Mr. CRAWFORD. I appreciate the gentleman's position and agree with him; but we ask these gentlemen what this cost will be in dollars, and they cannot answer.

If we asked them what it would cost to operate this battleship in oil, in grease, in food, or in clothing for the men on it, and so forth, they could answer in quantity or in tons, but they could not answer in dollars, and here is one reason, if the gentleman will permit me to say so. We have at this very minute a legalized right for those who operate banks and lending institutions of this country to expand commercial loans and demand deposits to perhaps as high as several hundred billion dollars, and the only reason that is not put into operation is because these so-called money changers do not permit their judgment to go in that direction. Our great gold base is the cue to the potential credit inflation and price increase. The legal authority is in the banking laws of this country. Now, if the banks proceed to do that 25 or 50 or 75 percent, the dollar cost of operating these things may quadruple, quintuple, and sextuple, and these individuals know that, and that is the reason they hesitate to answer.

Mr. RICH. I will say to the gentleman that we have got to change a lot of laws we have on the statute books, and this may call for a drastic revision in our banking laws and in a manner giving us the gold standard and make our money stable and sound, so that we may know from what point we are going to operate on a long-term commitment basis and a good, sound business manner. [Applause.]

[Here the gavel fell.]

Mr. CALDWELL. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, I want to utilize part of my time in asking questions of the gentlemen on the Appropriations Committee.

The Navy Act of 1938 provided for an expansion of 20 percent in the naval forces of the United States. In order to take care of this expansion, it was found necessary to materially expand the yards and shore stations of the Navy. As I understand it, approximately \$25,000,000 is estimated by the Navy as the necessary cost, and I further understand that this sum of money has not been provided.

I wonder if any member of the committee would be good enough to tell me what is the reason or what is the plan of the committee in respect to this matter.

Mr. CALDWELL. Mr. Chairman, will the gentleman restate his question?

Mr. DARDEN. As a result of the expansion contemplated under the 1938 bill, it was found necessary to expand materially the shore stations of the Navy, particularly the manufacturing establishments, because a great deal of this ship construction is being done in Government yards. It was thought that a minimum of, roughly, \$25,000,000 would be necessary in order to undertake this work. I understand this money has not been provided for any of the stations, and I am interested as to the plans of the Appropriations Committee in reference to the matter.

Mr. CALDWELL. The committee did not have before it an estimate from the Budget on those items, and for that reason did not go into the matter.

Mr. DARDEN. I understand it is true that the Budget did not approve the expenditure, but I think we ought to give very serious consideration to the matter.

Shipbuilding costs are high. They are going to continue high so long as our equipment is inefficient, particularly in our own yards. I am not prepared to say what the situation is in the private yards of the country, but it is my belief that the machine-tool equipment in the Government yards is sadly in need of replacement. I believe the necessary money expended for machine-tool equipment and enlargement of the manufacturing facilities of the yards can be saved and repaid within a space of a few years.

It is a very unfortunate thing for us not only to delay our shipbuilding program, but also make it more expensive by our refusal to appropriate the money necessary to put the establishments on an efficient basis to handle the additional work that has been placed on them within the last 2 years.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield to the gentleman from Minnesota.

Mr. MAAS. Does not the gentleman think that with this extensive program ahead of us, we not only would save a great deal of money in the ultimate cost, but would speed up construction considerably if we did modernize our tool equipment and the facilities for producing the ships?

Mr. DARDEN. There is not any question about it.

The navy yards have become, in the last 20 or 25 years, great manufacturing establishments. They are charged with taking care of the repair work incident to a large navy and with the building work that has been given to them since the Naval Act of 1934. We have not developed or improved our industrial facilities as we should have. As a result of this, the shipbuilding program is not only being delayed but it is costing too much. The money necessary to make these changes could soon be saved if we were willing to make the initial outlay.

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. CALDWELL. I believe there is a great deal in what the gentleman has to say. I think the committee, or certainly several members of the committee, is in accord with the views as expressed by the distinguished gentleman from Virginia. Furthermore, I believe it is the opinion of at least one member of that committee, speaking for myself, that we are not going to construct ships in this country at a minimum of cost until we decentralize that industry and spread it over a wider area.

Mr. DARDEN. I very much hope that some consideration can be given or that some further consideration can be given to this matter, because not only is the money not appropriated for the extensions made necessary by the act of 1938, but the authorization act now pending, which contemplates a further increase, will need additional shop equipment in order to make it effective.

There is another item that I want to touch on for a moment. In the expansion of our air stations we have failed to provide any auxiliary or outlying fields, not for the training stations, such as Pensacola, but for the great operating stations. We are sadly deficient in the fields necessary for the operation of the fleet. Let us take the Atlantic coast.

There are no air facilities on the Atlantic coast worthy of note. The Navy owns one field of approximately 125 acres of land in Norfolk, and that constitutes the sole operating base for naval aircraft on the Atlantic coast. It is true that we are building a station at Jacksonville, Fla., and we are shortly to start building one in the Narragansett Bay area, but it will be several years before these stations are finished, and when they are finished they will need auxiliary fields in order to make them fully efficient. I understand that the same thing is true on the Pacific coast. Last year we authorized auxiliary fields for Norfolk and San Diego and the cost was comparatively small, about \$700,000 for both of the items, and we have so far not been able to secure the necessary money.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. Yes.

Mr. MAAS. In addition to the value during peace times, is it not absolutely essential that we have these outlying fields in case of war, so that we can scatter our squadrons? You would not for a minute leave all your squadrons at a naval base.

Mr. DARDEN. That is unquestionably true, and the gentleman has had a good deal of experience of his own in that respect, because he has been in the air service and in the Reserve for a number of years. We cannot concentrate our air force on the Atlantic coast, as the gentleman knows, because we have not the facilities.

Mr. MAAS. And we cannot provide those overnight with the modern type of airplane. They have to be provided in advance of mobilization.

Mr. DARDEN. That is true. It is true that we are renting a number of fields, as the chairman of the subcommittee explained to us a short time ago. We are renting a number of small fields, but these leases can be canceled at will on either side and, in addition to that, the permanent runways necessary cannot be built under the law. We ought to acquire a certain number of additional fields. The outlay of money would be comparatively small. The use of the great bases in which we have invested millions of dollars depends to no small extent upon the availability of these small fields.

There is another matter that I want to touch on for a moment. I think we ought to face definitely this problem in reference to Guam. I think we ought to understand what we are about. When the matter was presented last year I said at the time that I was opposed to the fortification of Guam, and I still entertain that view, but I did vote for the measure before the House in the spring that provided for the improvement of the harbor at Guam. This bill carries an item of some three or four million dollars looking to harbor improvements in the island. They are necessary if the harbor is to be fully utilized, but the real problem we will be faced with in this House in less than 3 years more is whether or not we are going to change our policy with reference to the Philippines. That is a most important matter which we have to consider. There is a strong movement on foot here—many of you are familiar with it—looking to the guarantee by the Government of the territorial integrity of the Philippines with the local government left entirely in the hands of the officials of the islands. That will commit us to a tremendous venture in the Far East. We will be saddled with the burden of providing military establishments for the Philippines that are located in a dangerous part of the world.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. CALDWELL. Mr. Chairman, I yield the gentleman 10 minutes more.

Mr. DARDEN. I do not think I could use that much time.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. Yes.

Mr. SUTPHIN. Did I understand the gentleman to say that he is opposed to fortifying the Island of Guam?

Mr. DARDEN. I was very much opposed to it last year, and I am inclined to think that I would feel the same way about it now.

Mr. SUTPHIN. Guam is surrounded by the Japanese-mandated islands, is it not?

Mr. DARDEN. I do not know that it is surrounded. It is very close to them.

Mr. SUTPHIN. And we have seen Japanese planes flying over Guam, and they are of such type that they could have flown from the mainland of Japan.

Mr. DARDEN. Yes; I expect it is close enough to the Caroline Islands to be in range of aircraft operating from bases on those islands.

Mr. SUTPHIN. And no one has ever contended that we could hold Guam in the event of attack.

Mr. DARDEN. Oh, no. I think the gentleman is mistaken there. I believe that if we were willing to go to the tremendous expense of fortifying Guam it could be made practically impregnable.

Mr. SUTPHIN. Yes; at a cost of half a billion or seven or eight hundred million dollars.

Mr. DARDEN. It would be a costly undertaking; it would run into the hundreds of millions of dollars.

Mr. SUTPHIN. And the gentleman does not think that we could hold the Philippines, in the event of attack, for more than 20 minutes.

Mr. DARDEN. No; but I think it would be easier to hold Guam than to hold the Philippines.

Mr. VINSON of Georgia. Mr. Chairman, would the gentleman yield there to permit me to ask a question of the chairman of the subcommittee?

Mr. DARDEN. Yes.

Mr. VINSON of Georgia. I call the attention of the chairman of the subcommittee to the fact that in his report he says that \$50,000,000 for the replacement of naval facilities is made immediately available. I fail to find it anywhere in the bill. I am inclined to think it was an oversight.

Mr. SCRUGHAM. It is a typographical error and should be corrected.

Mr. VINSON of Georgia. It is important that an amendment be offered to correct that when that item is reached.

Mr. SCRUGHAM. Yes.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. MOTT. The gentleman from New Jersey [Mr. SUTPHIN] observed that even if we fortified Guam we could not hold it. It was never contemplated by the Navy Department that even the fortification of Guam would enable us to hold it indefinitely, was it, but that such improvement as they wanted for Guam would enable us to delay aggressive action toward the United States, and that that very delay would serve the strategic purpose of improving Guam? Was that not the idea?

Mr. DARDEN. I believe that was the testimony of all the officers who appeared before the Naval Affairs Committee.

Mr. MOTT. I wish the gentleman would clear up a statement made on the floor a moment ago by the gentleman from Pennsylvania [Mr. RICH], who said it was impossible to find out anything about what it was going to cost to operate the Navy. In the gentleman's long experience on the Naval Affairs Committee and his contact with the Navy Department, I think the gentleman is familiar with the fact that the Navy Department can tell us now what it is going to cost to operate the Navy this year, and from their experience they can tell what it has cost from year to year, and from their experience they can give us an estimate sufficiently accurate to satisfy any businessman what it would cost to operate the Navy in the year to come.

Mr. DARDEN. I think that is true, because if my recollection serves me correctly, the gentleman from Oregon [Mr. MOTT] asked the officers recently appearing before the Naval Affairs Committee that question, and they were able to tell us, roughly, the cost of operating a battleship, a cruiser, and the lighter ships.

Mr. MOTT. I thought such an inference as was made by the gentleman from Pennsylvania [Mr. RICH] should not go unchallenged.

Mr. DARDEN. I think the gentleman from Pennsylvania was mistaken in that.

Mr. SUTPHIN. I asked Admiral Stark that question, and he put in the hearings the cost of operating battleships, carriers, heavy cruisers, light cruisers, destroyers, and submarines.

Mr. DARDEN. There is no question in my mind on this point, and that is, if we are going to fortify any place in the Far East, the fortification ought to take place at Guam as a military matter, because, in the first place, the Philippine Islands are difficult to defend. In the second place, they are people who want their independence and to whom we promised independence. For my own part, when 1946 comes I hope we will wish them well on their way. I do not want to see the United States involved further in the Philippine Islands, particularly when the Filipinos themselves want to be free. If we want to attempt to protect by force our trade in the East, the pivotal point is the island of Guam. That is the place to fortify if we determine to take that step, and not the Philippine Islands. With Guam strongly fortified, the Philippines would be protected if we wanted to take that gamble. I do not want to do it. I do not want to assume responsibility for the Philippine Islands beyond 1946. When that time arrives I want to see them go on their way as provided now by legislation.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. MAAS. I think I would go along with the gentleman on his point of view, but does the gentleman honestly think that when we cut the Philippines loose in 1946 what they are going to get is independence?

Mr. DARDEN. That I do not know, but I think what they are going to get from us is independence. Whether they will get it from the rest of the world I do not know. But I am not willing to see this country committed to protecting the Philippines indefinitely in the future. When their independence is given them in 1946 I want to see our obligations in the Far East terminated as far as they are concerned.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. RICHARDS. Now, suppose we do give the Philippine Islands independence in 1946, as has been proposed by this Congress; does the gentleman contend in that event that Guam should be fortified?

Mr. DARDEN. No; I have not contended that at all. I say that if we want a military outpost in the Far East, Guam is the place to fortify, even if we retain the Philippine Islands.

Mr. RICHARDS. Philippines or no Philippines?

Mr. DARDEN. Philippines or no Philippines. If we are going to do any fortifying in the Far East, Guam, is the place to do it, but I do not believe that that fortifying is necessary. I think the harbor at Guam should be developed for the use of our own ships and our own people, but beyond that I see no reason for us to go at the present time.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. O'CONNOR. Does the gentleman believe the Philippine Islands will take their independence in 1946?

Mr. DARDEN. I think they will, but I am not an authority on that matter. I have never been a member of the committee dealing with those affairs, and I was not a member of the group that went to celebrate the beginning of their independence a year or two ago. I am not sufficiently familiar with what their representatives want.

Mr. O'CONNOR. I may be wrong on this, but my understanding is that it is not obligatory upon the Philippine Islands to accept their independence at that time. I was wondering how the gentleman felt, as to whether or not they were going to accept their independence.

Mr. DARDEN. We had some discussion of that a year or two ago. I think it involved a point that the gentleman from Minnesota [Mr. MAAS] brought out. My recollection is that it is obligatory, and when the time is reached they must accept their independence, unless by legislation we alter the situation.

Mr. MAAS. That is right.

Mr. DARDEN. Now, that is the work that is going on here in Washington right now—a determined effort to have us review this situation and to again assume or continue sponsorship of the Philippines. If that is going to be done, if this Congress is going to continue to sponsor the Philippines, then Guam ought to be fortified now.

It will cost \$300,000,000 or \$400,000,000, but this step ought to be taken now if we are after 1946 to continue to sponsor the Philippine Islands, for we shall need it.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield further?

Mr. DARDEN. I yield.

Mr. RICHARDS. And the gentleman will admit that this country time and time again has reiterated its promise to the Philippines to give them their independence; and the Philippines time and time again as a people have stated that they wanted their independence.

Mr. DARDEN. I admit it, of course, and I am for it; I am for the legislation that is now on the books. I think the Philippines should be given their independence, and I think we ought to stand by the present legislation.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. MOTT. Up until 1946, or at least until such time as the Philippines have become independent, it is obligatory upon us to defend them, is it not?

Mr. DARDEN. I understand it is; yes.

Mr. MOTT. And if in order properly to defend them a further improvement of Guam is necessary, why not do it now?

Mr. DARDEN. I think the improvements of the harbor of Guam ought to be carried out regardless of the defense item. I think the sum asked by this committee for the improvement of the harbor there is necessary, for navigation is almost impossible there on account of the coral heads. I think this work ought to be undertaken, and I believe the Navy is in better shape than anyone else to undertake it.

Mr. MOTT. I have often felt that were it not for the fact that Japan is pretty well tied up now in China she might not wait until 1946 to make a move against the Philippines.

Mr. DARDEN. That may be true. Another factor which accentuates the difficulty in reference to this matter is the present very general talk in our own country as to an embargo against Japan. Whatever may be the gentleman's sympathies or my sympathies—and surely mine are all with China—I believe the minute we make the final, irrevocable decision to embargo Japan we shall be dangerously near violence in the east. [Applause.]

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 30 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, the question of fortifying Guam was discussed a year ago when this appropriation bill was in the House. Many Members opposed the appropriation asked for at that time for the purpose of fortifying Guam. I hope that as the debate goes on in the House this week it is made clear that the item carried in this bill is not an item for the fortification of Guam, but simply one to improve the harbor of Guam, something that should be done whether or not we ever have need to fortify the island.

This appropriation is necessary not only to protect the rights and property of the United States Navy but for the benefit of our civilian flyers who are doing such a fine job in developing civilian aeronautics in this country and flying the Pacific in the well-known clipper ships.

I have been particularly interested in the subject of national defense, certainly for the last 23 years, and I regret that at a time like this when we are considering a bill calling for the expenditure of more than \$1,000,000,000, relating to the very existence of our country, a large number of Members are not on the floor to participate in the discussion. There was a time a few short years ago when it seemed we were in danger of neglecting our national defense. Pacifist organizations, many of them very sincere, and other organizations with the desire to see the defenses of the United

States weakened were getting in their work to such an extent that the Congress and the country were not paying the attention they should to this question and problem of national defense. This has all been changed within the past 2 or 3 years, as war has broken out abroad, and I think perhaps we have reached the point now where we have got to be sure that the pendulum does not swing too far in the other direction, that we do not appropriate too great sums of money for national defense. It seems to me it is the duty of our General Staff and our naval officers to bring to the Congress, to the Committees on Naval and Military Affairs, recommendations and suggestions that would enable us to provide for any eventuality that might arise. These experts of the Army and the Navy having pointed out to the Congress the actual and very remote possibilities of what might happen, it is then the responsibility of Congress to decide how far they wish to go in following the recommendations and suggestions of the War and Navy Departments. Once in awhile it is said on the public platform, and it has been intimated on the floor of this House, that the high commands of our Army and Navy have a desire to so expand these branches of our service as to create opportunities for promotion.

I think that is an unfair statement to make. I have confidence in the officers of our Army and Navy, believing that they sincerely try to present to the Congress the problem as they see it and that they make requests for what they think is necessary so that this country may be in position to protect itself.

When I returned home from the World War I vowed as one private citizen that I would do my best to see that never again would the conditions existent here in 1917 be allowed to exist at the outbreak of some future war; that never again would the young men of this Nation be drafted into the military service of our Army and sent into battle with such little training that they actually did not know how to load the rifle given to them, and that did actually happen in 1918. I have it on the authority of a fine friend of mine who served as a commissioned officer in one of the combat divisions, who told me that early one morning in making a tour of inspection he came across a young fellow who had been sent to that outfit as a replacement just about an hour before that unit was scheduled to go over the top. He had known this young man in civilian life and stopped to exchange greetings with him. The young fellow in response to his question as to how he was getting along said, "Fine; but I wish there was somebody around here to show me how to load this darn rifle before I go over the top." Such conditions should not be permitted to exist. I want to make sure that never again, if this country must defend itself, will our young men be called upon to fly in what has been properly termed "blazing coffins."

Now is the time to experiment, to carry on research, to acquire the very finest type of military aircraft that money can buy. Now is the time to establish a training program that will give us the military and naval pilots we may need in case we are subjected to an attack. At the present time we are in danger of having our building program develop so rapidly that we will not be in position to provide adequately trained pilots and properly equipped airports for this rapidly expanding air force for which we are providing in this bill.

During the congressional recess I had the opportunity to visit some of our military and naval stations in Panama. I was rather shocked to learn from a pilot stationed in Panama—in fact, from the commanding officer of one of the squadrons down there—that between October 8 and December 8 of this past year we had lost, either in Panama or en route to Panama, 10 military and naval pilots. It is interesting to note that every one of those 10 pilots who died either on his way to Panama or after reaching Panama was a Reserve officer called back into the active service. Men were sent down there to fly ships that were 100 to 150 miles an hour faster than they had ever flown before. The thought was expressed by that commanding officer—and I know those who are familiar with the subject agree with him—that no pilot should be permitted to fly a fast pursuit ship with less than a thousand hours in the air. We do not want to send men into mortal combat again in pursuit planes with only 35 or 40 hours of flying training and an inadequate ground schooling.

At the time this Congress had the civil aeronautics training program before it we provided in the bill that at least 5 percent of the young men to be trained under this program should be selected from young men without college training. I offered that amendment and was happy to see it adopted. I have been interested to follow through and see how it worked, and I have learned recently that the Civil Aeronautics Authority is very well pleased with that provision; in fact, it would be perfectly willing, in view of its experience of the past few months, to have that 5 percent increased to 10 or even 15 percent. We have many young men in this Nation who have grown up since the development of aviation, who have played with model planes, who have built model planes, who have saved their pennies and have secured flying training. They are adequately equipped to enter not only the civil aeronautics courses but to go into our Army and Navy and secure flying training. I wish that the Army Air Service and those in charge of our naval aviation would give serious consideration to letting down a little bit on the requirement for flying training in the military and naval service. At this time, when that program is expanding so rapidly, it seems to me quite simple to segregate a group of possibly 100 or 200 student pilots selected from those without college training, put them through the regular military and naval courses, and learn from actual experience how their work compares with those that meet the strict requirements now in force by our Army and Navy. Several of our World War aces, men like Rickenbacker and Luke, never went to college.

I have referred to the danger, and I think it is a danger, that our building program will proceed so rapidly that we will not keep up with our personnel-training program. Reference has been made on this floor to the lack of airports along the Atlantic coast. I think everyone who has looked into this subject will agree that we have to start right now making adequate provision for these planes that we are building to land somewhere along the Atlantic coast. In connection with the development of our Air Corps nothing is more important than the procurement of aircraft and the training of pilots.

Last June, in fact, to be specific, on June 27, the gentleman from Illinois, Hon. RALPH CHURCH, addressed this House on the subject of transferring from the Atlantic and Pacific coasts to some inland point our munition and aircraft factories. A hasty reading of that address might well convince Members of the House that there was something to the idea, but I believe it is a move that should be very seriously considered before any such recommendations are made. Perhaps I have a selfish interest in this matter in that I have two or three of the larger units of the aircraft industry in my county. But I say to the members of the committee that if I honestly believed it would be to the advantage of our national defense to move the aircraft industry from Connecticut to, say, Illinois, I would very gladly vote to move that industry to Illinois. However, a careful examination of the facts, in my opinion, will convince any Member of the House that the suggestion is neither a practical one nor necessary.

Each Member of this House represents a constituency in the various States and we are all proud of certain achievements of the citizens and residents of our district and of our State. I know that the citizens of Connecticut would not for a moment think of trying to compete in raising wheat or corn with those residents who live in the Corn Belt and wheat-raising areas. While each part of this great Nation is particularly adapted to certain activities, agricultural or industrial, we feel that we have a certain peculiar qualification for the building of aircraft and the manufacture of fine tools in Connecticut.

In the first place, I do not believe that if the Government of the United States wanted to it could succeed in transferring the aircraft industry in Connecticut to, say, Illinois, because we know from experience that while it might be possible to move the machinery and some of the executives, the skilled mechanics who are working on these motors and on the aircraft, judged from past experience, would refuse to pull themselves away from their homes and move to another part of the country.

We saw that tried when the automobile industry was developing in this country. I was interested to learn recently that while we at one time had several automobile manufacturers in Connecticut they have since then moved to the great State of Michigan, but I find that the persons who then worked in those factories are still in Connecticut and still working in the same factories. They have simply turned their attention to new products and new equipment they can manufacture.

Our colleague the gentleman from Illinois [Mr. CHURCH] in his remarks last June emphasized the danger of aerial attack on the aviation factories in this country. It may be interesting for the members of this committee to consider the fact that if we take the 10 most probable points of attack by air, that is, by the locating of an enemy airplane carrier, Chicago, Ill., is closer to the probable point of attack in 5 cases than is Hartford, Conn. To be sure Hartford, Conn., is equally near the probable point of attack in 5 other cases. I shall not mention the locations I have in mind as I believe we are on rather thin ice when we start to discuss points of attack on the United States, but taking the 10 most likely points of attack we find that they divide 50-50. We cannot put a great deal of weight in the suggestion that the East or even the Pacific coast is more likely to be subjected to attack from the air than is Illinois.

I have referred to the necessity of having skilled mechanics to manufacture and build our aircraft. Recently a manufacturer of national reputation employed a firm of industrial engineers to make a survey of several different parts of the United States with the view to building a new factory, the factory to be equipped to build a very necessary part of an aviation engine. This group of industrial engineers surveyed several States of the United States and then made their recommendation to the manufacturer who engaged them.

Among other things mentioned in the report was that the industrial engineers found that Connecticut has the largest supply, generally distributed, of skilled labor in the United States. The following shows for a number of States the number per square mile of workers in certain machine- and technical-product industries requiring skilled labor:

Per square mile

California.....	0.17
Connecticut.....	13.69
Illinois.....	1.53
Maryland.....	.25
Massachusetts.....	6.27
New Jersey.....	5.29
New York.....	1.53
North Carolina.....	.01
Ohio.....	2.10
Pennsylvania.....	1.66
Virginia.....	.02

This same firm of industrial engineers, having ascertained from experts on defensive tactics against aircraft the ideal type of territory to defend, stated in this report that of all the places studied in the plant survey, the central part of Connecticut appears to be closest to the ideal:

(a) There are a number of moderate-sized industrial cities. Hartford, the largest, has 170,000 population. (b) The country is generally wooded and hilly. (c) Motor roads radiate in all directions, affording ease of access and no transportation bottlenecks. (d) A number of the cities have relatively important industrial plants situated in their environs, warranting all-around antiaircraft protection. (e) Some of the cities are far enough from the coast line to be safe from landing raids, bombardment by naval guns, or unheralded attacks from carrier based planes. (f) A location in the environs of any of these moderate-sized cities would enable providing the plant with its own power, water, and sewage service.

I mention these figures simply to indicate that more is involved when we consider transferring either the aviation industry or any other munitions industry from its present point of location to a possible point in the Middle West. Further, we have no assurance and we have no reason to believe that if this country is ever subjected to an attack from the air, the attack will come from the North Atlantic or from the Pacific or from the Gulf of Mexico. While we have a very friendly neighbor to the north, we do not know what the years will bring and we do not know but that if we

transfer these important industries from the Pacific coast or the Atlantic coast inland to, say, Illinois, we may not be putting them very close to the probable point of attack.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Texas.

Mr. THOMASON. Does the gentleman know of anyone besides the gentleman from Illinois [Mr. CHURCH] who is seriously considering such a proposal?

Mr. MILLER. I hope no one else is seriously considering it, but sometimes statements such as this are made and implanted, possibly, in the minds of members of committees. I know that some of our magazines have taken up the theme. I hope those who have the responsibility will not be carried away by the enthusiasm of a Member to attract a mighty fine industry to his district.

Mr. THOMASON. I believe the gentleman is attaching undue importance to the suggestion, because I do not believe anyone is seriously considering it besides the gentleman from Illinois.

Mr. MILLER. I hope not. Still you cannot blame him for wanting to attract such an industry to his district. I believe that as long as that point has been raised, I may be excused if I say that I am mighty proud of the men who make up our aviation companies in the State of Connecticut. I know the same is true throughout the United States.

Aviation has been referred to more than once as a young man's game. It is certainly a comparatively new industry. They have had the misfortune to have to make most of their development in a period when all industry has been suffering from depression. I have often wondered where that industry would be today if it had not had to contend with the depression that has been world-wide.

I referred some time ago to taking advantage of lessons that we learned during the World War. I hope that with that thought in mind I may refer to a matter I believe is important and is concerning many of our citizens. Certainly it is if I can judge from the mail I have received.

I would hate to see the United States follow the paths it followed between 1914 and 1917, particularly those paths that led to our involvement in the World War. Like most Members of Congress, I know only what I read in the paper, but I have read of the sending of our First Assistant Secretary of State to Europe as the personal representative of the President. It is only natural and reasonable that sending Mr. Welles on this mission is bringing to mind that we had a like experience during the World War, when President Wilson had an unofficial observer in the capitals of Europe. I hope the President or the State Department will see fit to set the minds of our people at ease and take them into his confidence, insofar as he can, and convince them that this is not a similar mission to that on which a special representative of President Wilson was sent in 1915 and 1916. And while I mention that subject, those of us who are interested in providing an adequate national defense are naturally interested in the development of our merchant marine, and we regret that it is necessary, in order to protect the best interests of the United States—at least, that was certainly the opinion of this Congress—to enact a neutrality law that took off of many of the seas our merchant marine; and while the activity of the merchant marine is curtailed, certainly it is doubly important that every possible support be given to those vessels of ours that are still traveling the high seas, and I regret that this special envoy of the President to whom I refer has seen fit to start on his mission and go to Europe traveling on a foreign vessel. I know the answer may be that the *Manhattan* was not due to sail for 4 or 5 days after he decided to sail for Europe, but if it was urgent that this special envoy get to Europe as quickly as possible, we have, flying the American flag, aircraft that would have gotten him over there in less than 36 hours, and I hope that in the future every representative of our Government and every one of our citizens who finds it necessary to go abroad, as patriotic citizens, will try to use the vessels of the United States merchant marine.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I will be very pleased to yield.

Mr. THOMASON. I am always very much interested in what my friend has to say on the subject of national defense, and I am in hearty accord with the suggestions he has made about the improvement of our own Army and Navy. I think we belong to the same school of thought, and that is that neither of us wants the largest army in the world, but we want the best; and in view of what the gentleman has to say about the need of more and better munitions and of a more adequate army as to personnel and as to housing, and, particularly, as to a strong air force, does not the gentleman think that, in view of the economy wave which seems to have struck Congress, we might well postpone any improvements at Guam until we have taken care of our own internal national defense, and until it is determined whether or not the Philippines are to have their freedom in 1946?

Mr. MILLER. If the appropriation carried in this bill was solely for the benefit of the Navy and for naval pilots, I would be willing to say I agree with the gentleman. I voted against this appropriation last year, frankly, under misinformation, as I now know; but I have been told on certainly reliable authority—and I think there is no secret about it, from the Civil Aeronautics Authority—that this is an important improvement if they are going to develop trans-Pacific flying.

Mr. THOMASON. Every appropriation bill that has come into this Congress has suffered very severe cuts. The gentleman has mentioned the merchant marine, which I think was unduly cut; and in view of what my friend and colleague from Texas [Mr. JONES], the chairman of the House Committee on Agriculture, had to say, agriculture has suffered more than any other branch of the Federal Government, in that it has been cut, I think he said, 51 percent. Now, if we must have cuts in these appropriation bills, including the appropriation for the War Department and likewise for the Navy Department, does not the gentleman feel that we had better use such money as we do appropriate for further national defense for the upbuilding of our Army here in the United States and Panama, Hawaii, and Alaska, and postpone the consideration of any improvements at Guam for the present, or even until it is determined whether or not the Philippines are to have their independence in 1946? Does not the gentleman feel that would be a wise policy in view of our economy program and the apparent demand for economy?

Mr. MILLER. I would be perfectly willing to vote to strike that item out of the bill in view of the fact that cuts have to be made and we have not had an opportunity to study the hearings. I do not know just how substantial the cuts are that have been made by the committee, but I will say this to the gentleman: In my enthusiasm for national defense I do not want to vote to appropriate a single unnecessary dollar. I think we have got to make these small cuts in order to acquire a large saving, and it is possible a study of the hearings and the bill itself will lead the House to believe that we can go further in cuts than the committee has gone.

Mr. THOMASON. It seems certain that we must have some cuts, and if we are to have any priorities, does not the gentleman think that we need to build up our own Army and its personnel, its equipment, its housing, its airports, its airplanes, the Navy planes and the Army planes, the fortifications at Panama, Alaska, and Hawaii, before we branch out in another venture in the Far East?

Mr. MILLER. I certainly do, and I commend to the gentleman the report prepared by a committee of the minority party, the chairman of which was our colleague, the gentleman from New York [Mr. WADSWORTH], in which he defined the territory that he felt we should be prepared to defend, and I may say that the island of Guam was well beyond the line of defense that he outlined in his report. To answer further the question which the gentleman has raised about providing for the Army and the Navy, I think the committee should be commended for the statement to be found on page 15 of

the report, in which they point out that they have gone beyond the Budget estimates at least \$200,000 in providing for our Naval Reserve. They recommend the building of experimental laboratories, and I think in that connection we could all give thought to increasing, not only numerically, but also the efficiency of our Reserve and the National Guard. It has been the policy of this country ever since the beginning to depend on the Organized Reserve, the old militia, the old State guard, and I hope that we can build up these Reserve forces and our National Guard before we go on and expand and develop a huge standing Army.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. GEYER of California. In view of the fact that the Budget makes quite a cut in the C. C. C. and in the N. Y. A. and the W. P. A. and increases the amount for defense, does it not seem to the gentleman that this is almost carrying out the slogan, "Guns instead of bread"?

Mr. MILLER. Of course I have not seen and do not think the gentleman has seen the appropriation bill making provisions for the C. C. C. or the W. P. A., but I have no desire to see the W. P. A. cut and will vote for the items recommended by the Budget.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. DITTER. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. MILLER. To further answer the gentleman, I think the Members of the House would be much more enthusiastic in voting for increased appropriations for the C. C. C. if we could arrange to give them at least a minimum of military training while they are in the C. C. C. service.

Mr. GEYER of California. Of course, with that part I would not agree, but I do agree with everything else the gentleman has said about that.

Mr. DITTER. Mr. Chairman, I now yield to the gentleman from California [Mr. WELCH].

PURCHASE OF HUNTERS POINT, SAN FRANCISCO

Mr. WELCH. Mr. Chairman, pursuant to a provision in the naval public works authorization bill during the last session of Congress and now Public Law 106, the bill under consideration provides for an expenditure of \$6,000,000 to purchase Hunters Point—\$4,000,000 for the property and appurtenances and \$2,000,000 for new improvements thereon.

The strategic importance of San Francisco Bay and Hunters Point has been stressed by the Navy Department on many occasions. Special commissions appointed by Congress have also stressed, from a national-defense standpoint, the importance of San Francisco Bay and Hunters Point.

Admiral J. W. Helm, who was senior member of a special commission appointed by Congress to select a site for a contemplated naval base on the southerly end of San Francisco Bay, made a report from which I quote, in part:

San Francisco Bay is the only body of water on the Pacific coast south of Cape Flattery offering a safe anchorage from wind and weather to a large number of ships, which can be entered under all ordinary conditions of wind and sea.

San Francisco Bay has ample anchorage with a good holding ground for a fleet of any size.

Admiral Charles F. Hughes, when Chief of Naval Operations, made the following statement:

San Francisco Bay is, as you know, the principal harbor of the Pacific coast. To my mind, it belongs to the Nation; it is not the property of California nor of the cities that are on its shores. From its natural advantages and its location, San Francisco Bay is certain to be the major continental fleet base for any extensive campaign in the Pacific. It will be the point where the fleet will concentrate at the beginning of a war.

Admiral William D. Leahy, former Chief of Naval Operations, during the hearing on the naval authorization bill, also made the following statement:

The program does not provide for a naval drydock in the San Francisco Bay area capable of taking a major capital ship. The privately owned drydocks at Hunters Point, lacking in the equipment necessary for repairs to our large war vessels, are not a satisfactory solution to the Navy's problem in time of war.

In my opinion, the Navy should acquire the Hunters Point drydocks and should provide weight-handling facilities, power connections, galley, latrines, storehouse, and an assembly plant to permit the overhaul of our largest vessels in conjunction with the Mare Island Navy Yard.

During this hearing Rear Admiral Moreell, Chief of the Bureau of Yards and Docks, supporting Admiral Leahy, also made a strong statement urging the purchase of Hunters Point.

At the last session of Congress a board was appointed by the Secretary of the Navy to investigate and report upon the need, for the purpose of national defense, of the acquisition of Hunters Point drydock. I quote from that report:

24. Studies of shipbuilding and drydock facilities, both naval and commercial, show that on the Pacific coast there are, at the present time, only one existing naval drydock and another under construction which will accommodate battleships and aircraft carriers. (Dock No. 3 at Hunters Point, which is a commercial dock, is not taken into consideration for reasons which will be made apparent in the next paragraph.) Both of these docks are located at the Puget Sound Navy Yard, Bremerton, Wash. In other words, in a coast line some 1,260 miles long, naval facilities for docking our capital ships exist at only one point; namely, the northern terminus of our coast line. Except during the summer months, operations of the fleet are carried on at least 1,000 or more miles to the southward of this point. This means, in effect, that for the greater part of the year any of our major ships requiring regular or emergency docking in naval docks must steam on the order of 2,000 or more miles. With excellent facilities available in the San Francisco Bay area such a procedure is economically unsound. Furthermore, it is illogical to presuppose that, in the event of a national emergency, concentration of all of our major ships would take place at only one point, and that point the most northern one, of our Pacific frontier. Thus, both from economic and strategic viewpoints, the establishment of a naval drydock capable of taking care of our capital ships in the San Francisco Bay area is fully warranted.

25. In the preceding paragraph no consideration has been given to utilization of the commercial drydocks at Hunters Point to care for at least a part of the docking needs of our major naval vessels. The reasons for not considering this, and all other commercial docks, are as follows:

(1) Security: Many of the intricate mechanisms which require repair and overhaul while a naval vessel is in drydock are of a secret or confidential nature and should not be open to general inspection by other than regular naval civil employees. This condition can very well be handled at a navy yard or station where all civilian employees have been inducted into the service under strict civil-service procedures and all activities are under rigid control. At a commercial plant such control would be an exceedingly difficult if not an impossible matter.

(2) Lack of specially trained workmen: The workmen employed at a commercial yard are normally fully familiar with routine overhaul work. However, the intricate and highly technical military equipment on a man-of-war requires specially trained personnel.

(3) Lack of adequate facilities: The power-length ratios of naval vessels are many times greater than those of commercial vessels and, as a consequence, the normal commercial yard does not have the shop capacity nor the weight-handling equipment which are essential for proper overhaul of naval vessels. As was pointed out in paragraph 4, the Hunters Point dock is lacking in even the minimum essential facilities for minor overhaul and the present owners have failed to provide these facilities on the ground that the income from their plant does not warrant the necessary expenditure.

(4) Lack of availability: Even though the use of a commercial dock is contracted for by the Government, there is no assurance that it will be fully available for naval vessels if necessity demands. Experience has indicated that in many instances commercial docking facilities have not been maintained in a condition suitable for instant use by naval vessels.

26. The Board has also given consideration to the practicability of equipping the Hunters Point drydocks with necessary facilities for work on naval vessels, the docks to remain in private ownership and to be operated as commercial facilities. The Board considers such an arrangement to be undesirable and impracticable if the Hunters Point docks are to be utilized for overhauls, as well as for interim dockings. In the foregoing paragraph reference is made to the need for security and the lack of specially trained workmen at commercial plants. In addition, if the fullest use is to be made of the Hunters Point docks, they should be operated as an annex to the Mare Island Navy Yard in order that the splendid shop facilities of that yard may be fully available. The coordination of the navy yard's work with activities of a commercial plant of the kind under consideration would be a difficult, time-consuming, and costly procedure. Furthermore, a very important consideration is the fact that under present conditions it has been impracticable to keep naval vessels in commercial docks for periods sufficient to permit proper drying out and painting because of the large docking charges. The Board of Inspection and Survey has repeatedly called attention to the insufficiency of the times spent in drydock and the resulting deterioration. If the docks are Government-owned, the vessels will undoubtedly be left in dock for longer periods with little additional cost.

27. The selection of a site for the construction of a naval drydock in the San Francisco Bay area will be governed, among others, by the following considerations:

(a) The size of the ship for which the facility is needed, particularly the draft.

(b) The dock's proximity to the present fully equipped Naval Establishment at Mare Island.

(c) Real-estate values at or near the site under discussion.

(d) Foundation conditions, particularly as regards their effect upon the cost of construction of a graving dock.

(e) As a corollary to (a), the depth and the width of the channel leading to the specific site.

28. In the entire San Francisco Bay area only three locations will satisfy the foregoing considerations to the extent that serious consideration should be given them for drydock construction, namely, Mare Island, Oakland-Alameda, and South San Francisco-Hunters Point.

29. The channel leading to Mare Island has a controlling depth of 30 feet and to increase and maintain an increased depth would prove inordinately expensive.

30. As regards a choice between the two remaining sites both have, or can be made to have, sufficient depth of water to permit access to them by battleships. The Hunters Point site, however, is more favorably situated in this respect since deep water is had immediately off-shore. Both sites are approximately the same distance from Mare Island. Real-estate values run about the same at both places. The main point of difference between the two sites lies in the drydock foundation conditions. These conditions are all in favor of the Hunters Point site and have made for much smaller drydock construction costs at that location. This one fact makes the element of total cost, including the purchase of existing facilities and the provision of such others as are necessary, for the establishment of naval docks in favor of Hunters Point and indicates its selection.

31. Information obtained by the Board from the Bethlehem Shipbuilding Corporation indicates that during the period from January 1, 1937, to January 1, 1939, 76 commercial ships used these facilities, occupying them for an average of 176 dock-days per year. Of all the vessels utilizing the docks only six are of such dimensions that they cannot utilize other docking facilities in the San Francisco Bay area for their necessary overhaul. These six ships actually used the Hunters Point docks during the period mentioned above for an average of 20 days per year. Were these docks Navy-owned, provision could be made to permit their use for the routine docking and overhaul of the six commercial ships mentioned above.

The Bethlehem Shipbuilding Corporation, owners of Hunters Point drydocks, and the Navy Department have agreed on a purchase price of \$3,993,572—the company to have use of the docks for a period of 3 years. In the meantime, if the money is made available, the Navy will proceed immediately with the very necessary improvements.

It should be borne in mind that at the present time the only drydocks on the Pacific coast large enough to accommodate major naval ships with adequate repair facilities are at Bremerton, Wash., 815 miles north of San Francisco Bay.

I do not claim to be an authority on naval defense, but as a Representative from the Pacific coast and a member of the Committee on Merchant Marine during the 15 years I have been in Congress, I have given serious consideration to national defense. Our Navy, which is the first line of national defense, consists of three links all of which are interdependent upon each other—the Navy, the merchant marine, and facilities for building, repairing, and docking ships.

For the first time since the World War, shipbuilding has been resumed on the Pacific coast, but facilities for docking and overhauling capital ships, referred to by Admiral Leahy, do not exist, with the exception of the one facility on Puget Sound.

This great land-locked harbor—San Francisco Bay—should be equipped with every modern facility necessary for national defense.

There should be no further delay in giving to the Navy the security which San Francisco Bay and Hunters Point afford as maintained by the naval authorities which I have quoted.

Mr. DITTER. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I think the pending appropriation bill, generally speaking, is a very good one and I think the committee is to be commended. They have done a splendid job. I have no quarrel with them. I think they have been as liberal as it is possible to be under the circumstances, which means that they have granted everything that can be constructed properly during the period for which they have appropriated. At the same time I think they have made no unreasonable cuts. I shall address myself now particularly

to the question of Guam, about which there seems to be so much misunderstanding. In the first place the assumption is that this is launching into a new adventure in the Far East. Nothing could be further from the truth. Let us examine the facts. Guam has been in the possession of the United States for some 40 years. Guam has been occupied by the United States during that period. We have maintained a naval base there during practically all that entire period. We are using it today and we have been using it. We had an active squadron in Guam until about 1932. There was never any protest by Japan or by anybody else. I cannot see what difference it would make whether Japan protests or not. I do not believe there can be any very great sincerity behind a protest by Japan against our using or defending our own territory. Nobody has questioned our right to Guam or our occupancy of Guam. On the other hand Japan occupies a great many surrounding islands to which there is a great question as to the right of Japan to be there at all. They are the mandated islands, and under the mandate and by treaty Japan agreed not to fortify those islands, and we are all certain as a matter of fact that they are fortified. I do not think Japan is going to get very mad at us and go to war because we take out some coral heads in the island of Guam. What we are asking to do is not making the slightest change in our policy over what we have been doing for 40 years, which is to use the island of Guam both for the Navy and commercially. The Pan American Airways, which is an important commercial link with the Orient, uses Guam. It is one of their regular stations. That company has built an overnight hotel there. The increased size of the planes has made it dangerous to operate in Guam because of these coral heads. It is true that last year there was a proposal to spend \$5,000,000 to dredge the harbor so as to be able to bring up seaplane tenders and build certain docks, and do shore construction in connection therewith. That is not involved in the present appropriation bill at all.

It is merely to remove the coral heads and make it possible to have proper sea runways for the planes which are using Guam and will continue to use it anyway. It is merely a question of whether you improve that harbor the same as you do any other harbor in the country when the size of ships increases and the traffic makes it necessary to improve the harbor.

Mr. LEWIS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAAS. With pleasure.

Mr. LEWIS of Ohio. I would like to know, if that last statement is correct, why the Rivers and Harbors Committee does not bring in a bill to authorize an appropriation for the Island of Guam, and have the Appropriations Committee present it?

Mr. MAAS. Because that is not the proper legislative situation. This island is under the jurisdiction of the Navy and always has been. The Navy has authorization under proper law to do harbor dredging in the fourteenth naval district. The question of authorization is not involved in this at all. Nobody questions their authority to do this. It is merely a question of the appropriation with which to do it. The Rivers and Harbors Committee has nothing whatever to do with it. It is being presented in a perfectly legal and proper manner.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes; I am glad to yield to my chairman.

Mr. VINSON of Georgia. Does the gentleman think that we need worry about Japan's protest? History shows that Japan likewise protested against the fortification of the Hawaiian Islands.

Mr. MAAS. Yes. They even protested against the individual who was sent to command the naval forces at Hawaii. I do not think we need worry about Japanese protests any more than they worry about our protests. They sunk the *Panay* and we protested, but they did not get very excited about it. They knew we were not going to war about it, and we know they are not going to war because we improve the island of Guam. All this talk about it being too far away and

that we are dispersing our defenses and launching into a new policy is not in conformity with the facts. If it were possible for us to draw a line from the Aleutian Islands through Hawaii to Panama and say, "That is our sphere and we will never go beyond it, we are going to defend just that line," that would be fine, if we could do it. That is our defense line. We do not ever propose to permit any foreign hostile navy to cross that line, but we must have scouts out beyond that line in advance to know whether or not they are coming to that line before we can stop them at the line. Once they get to the line it will be too late to stop them.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. THOMASON. Does not the gentleman think that it is inconsistent to say that we are going to get out of the Philippines not later than 1946, and I heard some eminent gentleman say on the radio the other night in 1942—does not the gentleman think it is inconsistent to say that just as we are planning to get out of the Philippines, then we should begin to improve the island of Guam, which, of course, is the camel getting its nose under the tent, because later it means fortification and involvement in the Far East?

Mr. MAAS. No; I do not agree with the gentleman at all. I think the very fact that the gentleman states—that is, that we are going to get out of the Philippines—makes it imperative to improve the island of Guam.

Mr. THOMASON. Does not the gentleman think that we had better concentrate our national-defense activities here in our own country and our nearby possessions rather than going away out into the Pacific?

Mr. MAAS. Oh, the gentleman misunderstands the purpose of developing the harbor at Guam. We are not dispersing our defense forces at all; but in pursuing the subject about getting out of the Philippines, I have always in the past been opposed to giving up the Philippines. I was frank to say it was because I thought they would be of value to us and we could make some money out of them. We have done more for the Filipino people than any other nation has done for them in the history of the world. We promised them their independence. They are not going to get it. They are going to get something infinitely worse, in my opinion, than anything they have ever had in the past when they are cut loose. But they have been continually asking to be cut loose and I am now in favor of cutting them loose. But when we do cut them loose, it becomes doubly important that we develop Guam for ourselves, because the gentleman must realize that we are not a self-sufficient Nation. We are not even a self-sufficient hemisphere, unfortunately. The United States has to go to the Far East to get certain essential strategic raw materials, such as tin, rubber, tungsten, and chromium. Without those essential raw materials, peacetime industry in this country would collapse.

Mr. THOMASON. Well, granting all of that, the gentleman does not contend that we would have to send an army and navy over there to get it?

Mr. MAAS. Oh, you might have to. At least, be able to, potentially. The whole theory of your commerce is that we be able to protect our trade routes.

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. CALDWELL. Aside from the improvement as contemplated by this bill, which is in no sense military, it is absolutely essential to our peacetime activity, and I am wondering whether the gentleman agrees with me that if the United States asserted some degree of independence, if it asserted its own right to do as it pleases with its own property, that in itself would not be a step toward peace rather than toward war?

Mr. MAAS. I am satisfied the gentleman is absolutely right. I do not believe there is anything that would create more respect on the part of the Japanese for America than for us to say, "We are going to do as we see fit with our own territory."

Mr. THOMASON. Then if the gentleman is right, why not stay in the Philippines?

Mr. MAAS. As far as the Japanese are concerned, I would.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. SUTPHIN. I would like to ask my colleague from Florida a question. Perhaps he can tell us what our commerce amounted to last year.

Mr. CALDWELL. I said peacetime pursuits.

Mr. SUTPHIN. Well, that is commerce, is it not?

Mr. CALDWELL. I say that because Guam is midway between the Philippine Islands and Midway Island and is a necessary landing place for civilian airplanes.

Mr. SUTPHIN. I am told that the imports from Guam last year amounted to less than \$75,000.

Mr. MAAS. I do not think the gentleman from Florida was even discussing the question of our trade with Guam. What he was stressing is the fact that Guam is an essential stopping point. Just as long as this Nation hopes to trade in the Orient at all, we must have trade routes. Aviation is becoming increasingly important in international trade. To continue it in the Orient, we have to have a stop at Guam.

Mr. CALDWELL. Or, to put it another way, I do not believe that America can ever have peace by tucking its tail between its legs and running every time anyone says that a particular line of activity offends him.

Mr. MAAS. Of course not; and anybody who has studied the Orient at all, or the oriental mind, knows that they interpret kindness for cowardice and conciliation as weakness. I do not mean that we have to be ruthless, but certainly we have got to be ruthless in defending our own rights or we shall have the respect of no one, least of all the orientals.

From the standpoint of the Pan American Airways operations, they are making a very valuable contribution to our commercial life. They would have to suspend operations if there were not some place in the approximate location of Guam where they could make a stop, for in their present state of development our planes today have not sufficient range to make the jump from Hawaii to the Philippines. Until 1946, at least, the Philippines are ours, and until that time we will maintain naval forces in the Philippines. We have a squadron of patrol planes in the Philippines now. These planes have to come back to Hawaii for overhaul. They have to have a stop approximately where Guam is to make the trip to and from the Philippines. We are going to continue this policy for the next 6 years at least, and we are going to have this squadron and maybe more squadrons over there. Incidentally, Japan has not gone to war with us for keeping a squadron of patrol planes in the Philippines, which is just as close to Japan as Guam is; and I do not believe Japan is going to go to war with us over Guam, no matter what we do in Guam. Japan fears that we are going to try to interfere with her plans in China. I do not believe we are going to interfere with her plans in China. I do not believe that our trade in China would justify our participating in an oriental war at all, and we will not have to if we make clear to Japan that we are going to defend ourselves and our own interests and our right to essential raw materials, but will let her alone in her own sphere. Under such a policy I do not think we would have any trouble with Japan at all. But should we have trouble, Guam, in my opinion, is the only alternative to a two-ocean navy.

The ideal defense of this country would be two fleets, because we are a two-ocean nation. I do not believe we are going to have two fleets, although personally I am an advocate of it. I do not, however, believe that our national economy is such that we can afford it—at least we cannot afford two navies at the present time. If ever we are threatened, it is going to be in both oceans at the same time. No one single nation is going to be foolhardy enough to attack the United States or its essential interests alone, but a possible coalition of European and oriental powers would be a very serious threat to us because we have only one fleet. Regardless, however, of where our fleet might be, in my opinion, if we were threatened in both oceans at the same time, that fleet would

be put in the Atlantic. Since we have only one fleet, and it would not be feasible to split the fleet, it is going to go into the Atlantic, because 75 percent of the population and of the industrial structure of this Nation is in the Northeast. Draw a line from Chicago to Norfolk. Everything northeast of that has got to be defended first. We would simply have to risk the consequences in the Pacific if we were threatened in both oceans at the same time in order to protect the northeast sector first.

But, Mr. Chairman, if we develop the harbor at Guam—of course, if it were fortified it would be a thousand times better; we can maintain patrol squadrons there—let me point out just what this will mean to us. It might even mean the difference between victory and defeat; certainly it could mean the difference between a long and disastrous war and a short, victorious war.

Mr. JENKS of New Hampshire. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. JENKS of New Hampshire. When Admiral Leahy was before the committee and we were talking about Guam, as I recall, I asked him this question: "Suppose Guam were fortified. In case of an invasion by the Japanese, how long could Guam hold out, having spent \$90,000,000 or \$100,000,000?" as were the figures at that time proposed.

He said, "Congressman, I think Guam could hold out possibly 3 weeks."

How much defense would that be?

Mr. MAAS. I think the gentleman is mistaken. I think he said from 3 weeks to 3 months.

Mr. JENKS of New Hampshire. I am certain that he said 3 weeks. The gentleman will find it in the record.

Mr. MAAS. Possibly the admiral is mistaken, or was misunderstood. That could happen.

Mr. JENKS of New Hampshire. He may have been.

Mr. MAAS. I may say to the gentleman that I have been in Guam and I have made a military study of it. If it were fortified, we would be absolutely invincible, and, in my opinion, we would be immune from attack in either ocean. I say that because if we were threatened in the Atlantic our fleet could proceed to the Atlantic, meet the threat in the Atlantic, engage the enemy fleet until it had destroyed the coalition fleet in that theater of operation. In the meantime, the Japanese would never proceed beyond Guam until it had first reduced it. No fleet commander would ever dream of leaving a fortified base between his home port and the operating fleet. To do so would be suicide, both for his home country and for his fleet. If the Japanese, in fact, proceeded to Panama, to Hawaii, or the Aleutian Islands and left Guam still fortified and as an operating base, our forces could immediately proceed from Guam to cut off communications and supplies between the Japanese fleet and Japan. We could then proceed to destroy their fleet at will, in the meantime wreaking terrific destruction in Tokio and on all of Japan. So no naval commander would move his fleet beyond Guam, if it were fortified, and if it were fortified it would take a major naval operation to reduce it. It would take at a minimum 3 months to reduce Guam if it were fortified. In that time our fleet could dispose of the enemy in the Atlantic, return to the Pacific, and then meet the Japanese fleet under the most favorable conditions to our own fleet.

Mr. MASSINGALE. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. I would like to ask a question for my own information. I am entirely ignorant of military maneuvers. I want to view this thing right. I may say that I voted against fortifying Guam the last time this matter was up and if I did wrong I want to correct the wrong. The gentleman has said that the necessity for fortifying Guam is that an admiral of the Japanese Navy, having a desire to attack the west coast of the United States, would not dare do so and leave behind him, after he moved eastward, a fort or a fortification of some sort. Why would they do that anyway with the intervening fortifications that we have in the Hawaiian Islands?

Mr. MAAS. The gentleman must realize that there is a vast difference in your points of radius from Guam and Hawaii. Guam is close enough to Japan so that planes based there can immediately observe the movement of the Japanese fleet. It cannot get beyond Guam without being detected from Guam. On the other hand, it could go to the Aleutian Islands or Panama and avoid Hawaii entirely. More important than that is this: Even if we fortify Guam, or do just what we are going to do by this bill, we will continue to use it, anyway. If we do not do what is provided in this bill, we will have to spend more money than the cost of this dredging in replacing planes that will get cracked up over there in Guam. We are going to use Guam all the time. We are going to use it every day, and we will continue to use it. If we do nothing else but make the harbor at Guam adequate for patrol planes that in itself would be of infinite value to this Nation in case we are threatened. Let me explain to the gentleman why that is. I am talking now about an unfortified Guam. We are operating patrol planes through there now, and we undoubtedly will operate patrols in Guam if the situation necessitates. Patrol planes radiating out of Guam can keep the Japanese Navy under surveillance all the time. The Japanese Navy could not move in any direction without the high command of our Navy knowing it through our scout planes operating out of Guam. We could not get that information out of Hawaii until they had already gotten too far, perhaps, for our Navy to intercept them. But Guam is close enough to Japan so that the first movement of the Japanese Navy will be detected by our pilots and radioed to our fleet commanders, so that if they start in any direction toward a vulnerable spot in our defense system our fleet will know it and the distance necessary to intercept them will be shorter for our Navy than it is for their Navy to get to a vulnerable point.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MASSINGALE. I would like to ask one more question. As I understand the gentleman, this appropriation is intended only for the purpose of making Guam a place at which airships may land and take off?

Mr. MAAS. That is correct.

Mr. MASSINGALE. It does not contemplate any kind of a haven or harbor for any sea ships?

Mr. MAAS. No; it does not. The bill last year provided that, but the present bill does not so provide.

Mr. THOMASON. Does not the gentleman think that is what it will lead to though? Is that not what the gentleman favors?

Mr. MAAS. Oh, I personally favor that; yes.

Mr. THOMASON. Does the gentleman not think when this appropriation is made it will not be long until somebody will be asking Congress to fortify Guam?

Mr. MAAS. The Congress has control of it. If the occasion arises when that should be done, and it is recommended, the gentleman would be the first one to vote for it, if it is found to be necessary.

Mr. THOMASON. Well, it is inconsistent to be getting out of the Philippines in the next 5 years and at the same time doing something that will lead to the fortification of Guam. I say that is inconsistent.

Mr. MAAS. We will not fortify Guam unless it becomes essential, and if it is essential to our national interest to fortify Guam, we will do so.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New Jersey.

Mr. SUTPHIN. Did I correctly understand the gentleman to say there are flying activities at Guam every day at the present time?

Mr. MAAS. Not in a strict sense every day. I meant it is in use and available every day.

Mr. SUTPHIN. Who is using it?

Mr. MAAS. Pan American and our own Navy.

Mr. SUTPHIN. Our own Navy? To what extent?

Mr. MAAS. Whenever it is necessary to fly back and forth from the Philippines.

Mr. SUTPHIN. The gentleman knows that when the P-13 squadron went out there the fleet was on the west coast. That was last September, and that was their last activity out of Guam. This is February.

Mr. MAAS. But they have to come back for overhaul from time to time, and for training.

Mr. SUTPHIN. Those 12 planes were through there in September.

Mr. MAAS. Yes. Pan American is using it constantly. The gentleman knows it.

Mr. SUTPHIN. Yes; every day.

Mr. MAAS. The gentleman also knows that we maintained an active squadron of the Marine Corps there for many years without any protest from Japan.

Mr. SUTPHIN. We do not maintain it there at the present time.

Mr. MAAS. No; it does not happen to be there at the present time, partly because of the difficulty of operating out of there with those coral reefs.

Mr. SUTPHIN. That marine squadron had land planes.

Mr. MAAS. No; they had both. I was over there when they were there.

Mr. SUTPHIN. How many planes did they have?

Mr. MAAS. They had half a dozen amphibians. They had land planes and amphibians.

Mr. SUTPHIN. Was it 50-50, then?

Mr. MAAS. I do not know how many they had; 12 or 14 land planes and half a dozen amphibians.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Mississippi.

Mr. COLMER. The gentleman spoke of using this island as a scouting base. Would this be practical without being able to back it up? In other words, unless the island were fortified there would be no occasion for scouting.

Mr. MAAS. No; I believe the gentleman is mistaken about that. It would be of tremendous value, even if it were not fortified, for scouting. Let me say to the gentleman that if we were operating with our scout planes, the minute we saw the Japanese Navy moving in our direction that information would be reported back to the fleet commander, and the scouting squadrons located at Guam would immediately drop back to Hawaii; but it would have served its purpose of warning our fleet.

Mr. COLMER. The point I am making is that unless the island were fortified those planes would be useless. Japan would not let them operate out of there, assuming that we were engaged in hostilities with Japan.

Mr. MAAS. If we were engaged in hostilities we would not operate out of there if Guam were not fortified. The thing is that it would be the first warning of any move toward hostilities.

Mr. COLMER. What would we want to be scouting the Japanese fleet for if we were not engaged in hostilities?

Mr. MAAS. We want to know before they start hostilities. Japan does not declare a war, it just starts making war, and we want to know as far in advance as possible of any threatened danger.

Mr. COLMER. Do I correctly understand the gentleman to mean that if the Japanese fleet were to move in the direction of Guam on a practice cruise we would want to be notified of it?

Mr. MAAS. If a critical situation existed, as it may be getting to be now, you bet your life we would want to know it. We do not want the first knowledge of it to be some shells falling on Los Angeles, for instance, or the destruction of the Panama Canal.

Mr. COLMER. Does the gentleman contend it would be worth anything from a military standpoint to this country to have this improvement of Guam made unless we followed it up with the expenditure of the \$800,000,000, or whatever it is, to fortify the island?

Mr. MAAS. It is not any \$800,000,000, in the first place; it is \$80,000,000. Or if you wanted to make a complete Gibraltar

out of it the cost would be \$250,000,000; but it would be the cheapest \$250,000,000 this Government ever spent. It is essential that the United States retain and develop Guam to protect our trade routes to the Dutch East Indies and the Malay States, where we get the bulk of our absolutely indispensable raw materials of tin and rubber as well as other strategic materials. So I am in favor of developing the harbor of Guam, whether we fortify the island or not. [Applause.]

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. HOFFMAN].

CHAIRMAN MADDEN, OF THE LABOR BOARD, GUILTY OF "UNFAIR PRACTICES," SHOULD BE GIVEN A DOSE OF HIS OWN MEDICINE

Mr. HOFFMAN. Mr. Chairman, the Chairman of the National Labor Relations Board, Mr. Madden, has been guilty of "unfair practices," if not a violation of the Federal statutes. A dose of the medicine which he has been handing out to so many employers throughout the country would not be a bad thing for him.

He has been finding that employers who told their employees, some of whom had worked in the factory for 20 or 25 years, that they need not pay dues or join an organization in order to hold their jobs, were guilty of unfair labor practices. No court as yet has upheld that theory. A circuit court of appeals on the Pacific coast has said that, if the law were construed that way, it would be a denial of free speech. Nevertheless, the Board, since that decision was rendered, has continued to make that same finding against free speech.

Then, too, as we all know, the Supreme Court held as long ago as April of 1937, that an employer need not enter into a written contract or into any contract at all with employees. We can go back further than that. We can recall that, when the law was passed, the Senate committee, in its report bringing the bill to the floor, said the law did not require the making of an agreement. We recall that Senator WAGNER himself, in a letter to the New York Sun in November of 1935, said the law did not require the making of a contract or the signing of a contract.

Nevertheless, Mr. Madden has held that the employer must sign a contract, which is contrary to the decision of the Supreme Court and to the decision of more than one circuit court of appeals.

The Chairman of the National Labor Relations Board, Mr. Madden, has been proceeding on the theory that it is a part of his duty, a part of the duty which he owes to the United States and for the performance of which he receives money appropriated by Congress, to enact or to prevent the enactment of legislation.

Chairman Madden completely forgets that he is not charged with the enactment of legislation. He forgets that it is the duty of Congress to legislate, that it is the duty of the courts to interpret that legislation, and that it is the duty of those boards and agencies of the Federal Government, which are created by the Congress or by Executive order to administer those laws, not to enact them or to change them.

He forgets that there is a Federal statute on the books which makes it a criminal offense for anyone to use, directly or indirectly, funds appropriated by Congress to pay for personal services or incur expense to influence Members of Congress to favor or oppose legislation.

Mr. Madden, acting as Chairman of the Labor Board, has been very quick to condemn employers, to find them guilty of a violation of the National Labor Relations Act. He has set himself up on a throne, from which he has criticized not only the acts but the motives of those employers who still believe that this is a free Government; that the right of free speech and a free press guaranteed by the Federal Constitution has not been abrogated.

He has condemned, both by his decisions and by his public utterances, those who have ventured to disagree with his construction of the National Labor Relations Act. He has made some very arbitrary and unjust decisions. He has gone so far as to create a situation where employees, who are guaranteed the right of collective bargaining by section 7 of the act, are by his decisions actually deprived of that right.

As long as Chairman Madden presumes to sit in judgment not only over the acts of employers but on their motives, it is well that we call his attention to some of his own shortcomings. It is well that he be asked publicly whether it is not true that he has violated section 201 of title 18 of the Criminal Code of the United States. It is well that we ask him whether his own testimony before the Smith committee does not convict him of such a violation.

Having received his answer, it is well that we throw back into his teeth the statement that he has deliberately, willfully, and for the purpose of maintaining and extending his authority, employed his time, paid for by money appropriated by Congress to prevent amendment to the N. L. R. A. and that his conduct, many think, is in violation of section 201.

Here are the facts, and there is no dispute, for the testimony comes from the mouth of Chairman Madden.

Let me quote the statute; but before doing that, let me give you an illustration of how much truth there is in the testimony of Mr. Madden—and I want to give it to you from his own testimony and not from what somebody else has said.

He said this—I am reading from page 678 of the hearings before the Smith committee under date of February 8, 1940:

The charge on page 22 of Senator BURKE's statement that the Board appointed a trial examiner "who had written and published a book on the C. I. O. lauding that organization in the most glowing terms" is erroneous.

Now, get this; the other was preliminary:

The facts are that the Board designated Prof. J. Raymond Walsh, or the Harvard faculty, on a temporary per diem basis, to hear the Heinz case—

And then he goes on and says that after he had learned that Walsh's appointment had been criticized; that after the hearing in which Walsh was then engaged had ended, Walsh was told that his services would not be needed longer.

He testified in substance before the Senate committee that Walsh was only a temporary employee. Let us get the record. The record from the personnel files of the Board, referring to Prof. J. Raymond Walsh, reads—pages 678 and 679 of the Smith committee hearings, under date of February 8, 1940:

Born in the State of Wisconsin, resident of the State of Massachusetts at the time of appointment. He was assigned as a trial examiner to the Empire Furniture Co. case, the Weirton Steel Co. case, the West Virginia Pulp & Paper Co. case, and the H. T. Heinz case.

Madden either did not know or he did not care what his own files showed when he gave that testimony. I submit that when you come to weigh testimony of these Labor Board employees you ought to have a little of their background and know something about previous statements, which they have made before you swallow everything they have said.

Here is section 201 of title XVIII, Criminal Code of the United States:

Use of appropriations to pay for personal service to influence Members of Congress to favor or oppose legislation: No part of the money appropriated by any act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device intended or designed to influence in any manner a Member of Congress to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers and employees of the United States from communicating to Members of Congress, on the request of any Member of Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Then it provides:

Any officer or employee of the United States who, after notice and hearing by the superior officer vested with the power of removing him, is found to have violated or attempted to violate this section, shall be removed by such superior officer from office or employment. Any officer or employee of the United States who violates or attempts to violate this section shall also be guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not more than \$500 or by imprisonment for not more than 1 year, or both.

Congress wrote the National Labor Relations Act; it created a Board and the President appointed Mr. Madden as Chairman of that Board. Mr. Madden is charged with the duty of

administering the law. Mr. Madden, as Chairman of the Board, has not one single thing to do with the enactment of the law of the amendment or the law or with any attempt to repeal the law. Mr. Madden is not content to be investigator, prosecutor, judge, jury, and executioner under the National Labor Relations Act.

Mr. GROSS. I was just going to add that word—executioner is right.

Mr. HOFFMAN. That is what he is, and in addition to that he wants to add to his functions as Chairman of the Board the right to tell the Members of Congress that we should not amend the law, and he does that in violation of that statute, does he not? Judge for yourselves whether he does or does not. I am not trying to say or to give a statement of what Mr. Madden does or of what he did with reference to that statute. I shall read to you what he did, his own statement of what he did. Here it is by question and answer, questions by Mr. Toland and answers by Mr. Madden, on February 8, 1940, before the Smith committee (p. 678 of the hearings):

Q. Now, let me ask you this question, Mr. Madden. Do you have any recollection of trying to incite unions connected with the American Federation of Labor or labor leaders to appear before the Senate Committee on Education and Labor in opposition to amendments to the Wagner Act?—A. Yes; I have some recollection. I would not adopt your term.

Let me pause there for a moment.

Mr. Madden is charged with administering this law impartially and fairly, and he steps out of character, and attempts to incite—oh, he objects to that word—he advises, some of the officials of the unions, like Dubinsky's, and members of the A. F. of L. to go against the A. F. of L. organization leaders, which, of course, they have a right to do. He also advises them to appear before the Congress and oppose amendments to the law. Does he use Federal money? He sends out communications, or his Board sends out communications, and if they are franked and do not need postage, the paper at least costs something. Does he not send them out in violation of that Federal statute—this man who said that the employer may not even say to the boy or girl who works in a factory that they need not pay tribute to work there—this man says that such a statement is an unfair labor practice, and condemns the employers for that, and then if they are guilty of that and men cease work, he orders a reinstatement of these men and the payment to them of back wages. That is what this man Madden does in violation of that statute. He lobbies to induce Congress to refuse to amend the law and he endeavors to incite members of a union to oppose a course advocated by their leaders. What kind of an Administrator is that? Is it not enough that the American Federation of Labor has charged him with bias and prejudice? Must we retain him longer? Must we still keep on the books an act which is unfair and retain a Board, a member of which lobbies in violation of a Federal statute?

Here is some more of his testimony:

Q. Let us strike out the word "incite." Let us say that you sought their assistance.—A. I have a recollection that I invited David Dubinsky to appear before the Senate committee.

What would you think of a judge, or what would you think of a man at the head of a committee, even though it is not a judicial committee, but who is charged with sitting there fair and impartial, holding the scales of justice, sending out to have witnesses come in to testify in behalf of what the judge thought we ought to have? Is it true that this Congress is not competent, is not able to enact legislation? Must we submit to lobbying on the part of the chairman of a board who is presumed to be exercising judicial functions?

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. MURDOCK of Utah. Has the gentleman ever heard tell of a Federal judge appearing before a legislative committee of Congress for the purpose of having certain legislation enacted?

Mr. HOFFMAN. Personally I have not, but I know of no reason—

Mr. MURDOCK of Utah. May I inform the gentleman that as a member of the Committee on the Judiciary it was my privilege during the last session of Congress to have some of the ablest Federal judges in the United States appear before that committee and advocate the passage of legislation?

Mr. HOFFMAN. That has no application to this case. Mr. Madden appeared before the Senate and House committees and before the House special committee. That is proper enough. But that is an entirely different thing than using Federal money to induce others to advocate or oppose legislation which he is employed to administer. There is another thing that does not put Mr. Madden in that class, and that is his bias and prejudice and his evident sympathy for and acts in behalf of one organization as against the other; nor does the practice change the law in any respect. I know nothing about what these Federal judges have done, but the fact that some Federal judge did something does not make it proper; and I do recall that not long ago a Federal judge somewhere in these United States had the robes stripped from him, and that is what I am advocating should be done about Mr. Madden.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield further?

Mr. HOFFMAN. I think not. The gentleman can get all of the time he wants here in this debate. To continue with the testimony:

Q. Do you have any recollection as to any other labor leader?

A. I don't; it may have happened, but I have no recollection of any other.

Q. Do you have any recollection of seeing any correspondence that was sent out to regional directors asking them to see what they could do to get American Federation of Labor unions to oppose the American Federation of Labor amendments?

A. Well, I am not sure whether I saw any of that correspondence. I have no doubt that there may have been some.

What business have the employees of the Labor Board lobbying against or for amendments, as long as that statute remains on the books?

Those questions and the answers to those questions disclose that Chairman Madden, forsaking his position as administrator of the law, sought to become a creator of legislation, a preserver of legislation; that he not only sought to do this himself, but that, using time paid for by Federal appropriations, he besought others to lobby toward the same end.

The testimony shows that he attempted to influence members of the American Federation of Labor to revolt against their leadership and to appear before a committee of the Senate in opposition to amendments to the National Labor Relations Act.

Chairman Madden is not an impartial administrator. He is not an impartial judge. He is an advocate. He is an assistant to the C. I. O. He is a lobbyist. He is a lobbyist whose time is paid for by appropriations made by Congress. Is there any reason why he, who is so ready to condemn employers, who many times innocently violate the law, should not be subject to the law? Why not give him an application of his own methods? Why not let him appear before a jury of his peers and answer to the charge that he has violated the criminal statute of the United States?

That Mr. Madden did not act inadvertently when he indulged in this improper conduct, when he became a lobbyist, is further shown by the questions asked him by the gentleman from Ohio [Mr. ROUTZOHN], and the answers of Mr. Madden, which will be found beginning on page 699 of the Smith hearings, under date of February 8, 1940:

A. * * * We have regarded ourselves, although our people have jobs out of this enterprise, and are to that extent interested in it, in addition to that, as trustees of this enterprise for the benefit of those who are to be protected by this law.

Q. Is there anything in the law which indicates that you are the trustees of the law itself?

A. I think any public official whose duty it is to enforce a law for the protection of people is a trustee of that law for those people.

Q. And you think that that justified you in doing something that was an inappropriate thing, that is, soliciting something from those who had to deal with you week in and week out throughout the administration of this act?

A. Well, that was our justification for it, Congressman.

Q. What do you think about it at this time, having given it some consideration? Do you think that that was the proper thing to do?

A. I am inclined to think that if we were in a situation where some congressional action were about to be taken on 24 hours' notice so that the people who are the real beneficiaries of this act would not even be aware that there was a problem before Congress by the time that this problem was to be decided, I am inclined to think that we would tell them that that problem was up.

Q. Mr. Madden, didn't you take into consideration, if you were considering it at all—that is, the propriety of what you were doing—that you had a friendly administration, and that that administration had a fairly good sized majority in the Congress, and it, itself, could take care of that for you?

A. Well, the situation was that the Appropriations Committee of this friendly administration had made an adverse report in which they had cut our funds to the point of destruction, and that even after our effort in lobbying it was a rather narrow squeak by which we got the money.

Q. Let's work this down to the last analysis. Did you get the money?

A. Yes.

Q. Did it come through your efforts or did it come through the efforts of the administration? Which had the most influence?

A. Well, that time I think what we did was needed.

Q. At that time you thought it was needed, is that it?

A. Yes.

The point I am trying to make is this, that all through the activities of this Board—and you will find plenty of illustrations if you will run through the hearings of the Smith committee—runs the theory that the members of the Board are charged with the duty of forcing all workers into a labor organization. That is what is back of it all. Not only that, but if you will go a little further in these hearings, you will find in the record of February 8, 1940, where Mr. Witt, secretary of the Board, with the sanction and approval of Mr. Madden, sent out to regional directors throughout the country a letter of instruction, written by Lee Pressman, attorney for the C. I. O., advocating the practice of reducing the complaints as much as possible. That was for the purpose of charging one single act, on which an order of the Board holding that the employer was guilty of unfair labor practice might be based; then get a general, widesweeping order of the Board to cease and desist, and you have a blanket order against the employer. If ever in the future that employer is guilty of an unfair labor practice, prohibited by the general terms of the order, then you could bring that employer before a Federal court, in a contempt proceeding, without a hearing before the Board, for the violation of that order of the Board, which may have been issued on just one narrow, insignificant charge and conviction. And the employer would have no opportunity to get out of the trap in which he had been caught.

In March of 1939, I introduced a bill, which, if passed, would insure to employees the right to bargain collectively through representatives of their own choosing—a right which the present act does not in practice always give them, but which it was supposed to protect. The Supreme Court has said at least once and the Circuit Courts of Appeals more than once that the act, as administered, sometimes did not permit employees to bargain collectively through representatives of their own choosing.

So now we have come down to the time when the A. F. of L. admits, in the interest of fair play, that the act should be amended. We have come down to the time when not only the employers, but the public generally admits that the act should be amended.

How much longer are we going to sit here without acting? Are we going to wait for the Smith committee? We do not know when they will report. They are doing a wonderful job, but they cannot disclose any fundamental principles which are being disregarded, of which we are not now aware. Are we going to wait for the House Labor Committee? One member of the Smith committee asked me if the regular House Labor Committee was holding a side show. I was unable to enlighten him. That committee held hearings during the last regular session. They were here during the special session. Is it the policy of this body to let those two committees go on indefinitely and then, when the summer has rolled away and autumn comes along, to turn about and send, late in the session, a bill to the Senate when we know we are not going to get any action?

Speaking, if I could—and I cannot—only as a Republican with political ideas in mind, I would say, "If you of the majority keep that Wagner law just as it is, refuse to make it fair and just, you will give us some of the best political ammunition for the next campaign that we could get anywhere." Speaking as an American, who believes in fair play; speaking as a Representative who has a duty to the people who sent me here, I would say, "Let us get about our business and amend the National Labor Relations Act so as to make it fair." Oh, yes; I see the gentleman from Georgia [Mr. RAMSPECK], a true friend of labor; even he recognizes today that the Board's conduct has been rotten; that you have got to have a board with membership of five, as the gentleman said in the beginning, and that you have got to make the law fair and just, and the Board judicial.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. My time has just expired.

Mr. DITTER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. PATRICK. I just wanted to ask, since we have clothed the Smith committee with the authority and have given it the time and money to make this investigation along the lines discussed by the gentleman, whether we had better get all the facts we can before undertaking the sort of legislation recommended by the gentleman from Michigan.

Mr. HOFFMAN. That Smith committee has been doing a wonderful job. They have disclosed a mess that stinks to high heaven, but if we wait for the Smith committee to disclose all of the bias and prejudice and iniquities of the Labor Board, we will wait here until we meet again in some other session. There is no question about that.

Mr. PATRICK. Does not the gentleman feel that if we wait for that Smith committee to make its report, we will make a law then too strong for him to support?

Mr. HOFFMAN. Oh, that is just a silly, foolish question.

Mr. PATRICK. Oh, of course. [Laughter.]

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. CREAL].

Mr. CREAL. Mr. Chairman, I wanted to speak for a brief moment concerning the National Youth Congress.

Long accustomed to the legal philosophy that all persons and all organizations are entitled to the benefit of all doubts, and that regardless of things derogatory or detrimental said of or about them they are presumed to be innocent until proven guilty. When many weeks ago it was said this organization was communistically inclined and other prominent folks said that it was not, I had no opinion, for I had no evidence. But I want to say that the demonstrations which we have had and the evidence which has been disclosed in the past week should no longer leave any doubt in any man's mind that the organization has not only within its ranks Communists, but that the ultimate aim is that these Communists shall control and direct its movements, if you take an organization by what it does as well as what it says.

In the first place, there is not any organization in America of any discretion that would object to a resolution being placed before it to purge it of Communists, unless it had Communists within its ranks. Such mere refusal is equivalent to pleading guilty. Or, take again an organization that is so impolite, whether it be made up of youth or mature folks, as to boo its own invited speakers, as to follow the unparliamentary procedure of forcibly ejecting one of its members from the audience, a member who wanted to introduce a resolution, instead of tabling the resolution in the parliamentary manner, or voting it down, if they saw fit; an organization that would visit the galleries of Congress and hiss Members in the disorderly manner that they did—these three things show that regard for recognized procedure has very little place in their mode of doing things. [Applause.]

Yes; I recognize, as some have said, that they are proceeding under the Bill of Rights. Yes; the Bill of Rights that they flaunt so gallantly. But what bill of rights or its equivalent is in operation in communistic Russia? And if the Communists of America should assume control, then how long

would that blessed Bill of Rights be in use and in practice by the same ones who are now holding it up as one of their constitutional rights? How long would the right of constitutional trial by jury and the presumption of innocence and the regularity of procedure be followed? How long would it be until we would revert to the firing squad of Russia?

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CREAL. I will yield to the gentleman from New York.

Mr. MARCANTONIO. Now that the gentleman has made his criticism of the procedure and various activities of the American Youth Congress, will the gentleman tell us what his idea is with regard to the program that these young people have set before Congress and their appeal that Congress do something with regard to the 4,700,000 young men and women who are out of work and without opportunity of education?

Mr. CREAL. I have voted for the N. Y. A. programs of the past few years, I will say to the gentleman from New York.

Mr. CALDWELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Kentucky.

Mr. CREAL. That, however, was a different organization and must not be confused, as probably it is confused by a great many, with the National Youth Congress. But as to the program to which the gentleman refers, I would not be influenced to be more for it by reason of being asked by Communists to support it. They do it harm and no good; and I say to the gentleman from New York that as long as Communists are in that organization, they are making one devil of a mess of attempting to advance a program. Communists will do them 10 times more hurt than help.

But if we were to have a program sent to Congress by an organization which has sent the Communists out of it, if the program were asked in the name of Americanism, it would awaken much more sympathetic consideration in the Members of Congress.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CREAL. I yield.

Mr. MARCANTONIO. Would the gentleman delay any handling of the youth problem until the American Youth Congress has expelled the Communists? Is that the gentleman's viewpoint?

Mr. CREAL. I have no objection to saying that I would not oppose anything that was good for the country that was advocated by somebody, regardless of how much I disliked their general affiliations; I would not oppose anything that was good. But I may say that I would not be induced one particle to favor it because it had a certain amount of Communists within it; and I want to say that when it is known that Communists are in the organization, the overwhelming majority of this House of the Congress would not be inclined to look favorably upon it. These organizations do themselves no good by having Communists help advocate their programs.

Does that answer the gentleman's question as to my position?

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CREAL. I think those who are within that organization will continue the effort to purge that organization of the Communists within it, or else withdraw and form an organization composed of people who are not Communists. We look with more or less lethargy and disinterest on this so-called "red" talk, but when you come to invade the youth of America, there is a different issue involved. I am not very much afraid of the bewhiskered, wild-eyed Russian trying to influence the older people, but when you invade the youth and try to entice them into something by statements that you are going to give them jobs and big things, that is the most dangerous thing I have ever heard discussed with reference to the activities of the "reds" during the 5 years I have been a Member of this Congress. When they said 10,000 would come back here next year, most of

those will be Communists; the other people will have gone if they cannot purge the organization.

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CREAL. Mr. Chairman, it may be true that there is only a small percentage of Communists in there, but does the gentleman believe that nine Americans will ever be able to convert one Communist radical to the American point of view? It is a ravenous, poisonous, dangerous disease that inflicts itself upon certain people who are already partly afflicted mentally and further deranged by the disease when it lights on them. One of these nine might perhaps to some extent influence the others, but the nine will never convert a single Communist to one single idea of American procedure and American ideals.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. CREAL. I yield to the gentleman from New York.

Mr. MARCANTONIO. Does not the gentleman believe that the best guarantee against any "ism" is for this Congress to do something about the youth unemployment problem, particularly in view of the proposed cuts in the present N. Y. A. appropriations, which have proven to be entirely inadequate and have not even begun to touch the problem? Let us discuss and solve the youth unemployment problem, and you will not have to worry about communism or any other "ism."

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CREAL. Mr. Chairman, the gentleman has asked me several questions. I am going to ask him one. Is he in favor of communism?

Mr. MARCANTONIO. No; I am opposed to communism or any other "ism." I am for capitalism, and I want to preserve American democracy, but you cannot preserve that democracy if you permit 4,700,000 young people to starve in the richest country in the world. You cannot preserve that democracy by evading the problem by means of raising a "red" scare.

Mr. CREAL. And you are not going to promote their interests by defending, commending, and alibing for communism either. [Applause.]

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MARCANTONIO. May I say to the gentleman that the question of communism has been raised solely for the purpose of putting up a smoke screen in order to conceal the real issue. I am telling you how to handle the issue of communism or any other "ism." The only way to handle it is to get jobs for our young people. That is the way you fight any kind of "ism" in this country.

Mr. CREAL. Can the gentleman say that he has any method in particular how to get Communists out of the Government and out of the youth organizations?

Mr. MARCANTONIO. Pass the American Youth Act and I repeat you will have no occasion to worry about any "ism" among our young people.

Mr. CREAL. Does the gentleman think that will make good American citizens out of the Communists?

Mr. MARCANTONIO. That will make Americans respect and want to live for America. The best guarantee for Americanism is to give Americans a real stake in the American democracy.

Mr. BOREN. Will the gentleman yield?

Mr. CREAL. I yield to the gentleman from Oklahoma.

Mr. BOREN. I have listened with great attention to the gentleman's remarks and I think he is eminently correct. I might add as one Member of Congress, and I hope the gentleman will agree with me, if there is anybody in the United States who wants to live under a Communist government there is one in existence in this world and they are welcome to go over there.

Mr. CREAL. No legislative program good, bad, or indifferent will enhance its chance of becoming a law by admitting that part of its ranks are Communists, but such

admission will do much to weaken it. It had better be an organization smaller in number and all with American ideals.

Mr. CASEY of Massachusetts. Mr. Chairman, I yield to the gentleman from Alabama [Mr. PATRICK] 5 minutes.

Mr. PATRICK. Mr. Chairman, I did not intend to get up and speak on this, but I understand the gentleman from Wisconsin [Mr. KEEFE] got up the other day in my unfortunate absence and made reference to me. I have a high regard for him. I have been looking for him to smile ever since he came to Congress, but I have yet to see him smile. I had hoped he would be here this afternoon so that we might prod him a little and possibly get him to smile.

In my absence the other day he got up in Congress and said that three of those who had been invited to the White House the other night were not accounted for, mentioning me as one of the three. I do not know what he meant by that. I do not know why we should have to account to the gentleman from Wisconsin. I was invited.

Mr. DITTER. Will the gentleman yield?

Mr. PATRICK. Yes, I yield to the gentleman from Pennsylvania.

Mr. DITTER. I wonder if the distinguished gentleman from Alabama would permit me to have the gentleman from Wisconsin here? Does the gentleman feel he would like to have the gentleman from Wisconsin here? He is engaged in committee at the present time, but I could probably get him here.

Mr. PATRICK. Yes, please, get him over here. I would be glad to have him present. I only have 5 minutes, and the gentleman is taking that up.

Mr. DITTER. Shall I take the rest of it up, sir?

Mr. PATRICK. It probably would be better spent. I know the gentleman and I could both agree on that.

Mr. Chairman, I was invited. I got a very polite letter from Mrs. Roosevelt. I assume the others did too. I did not know what it was all about and I did not inquire. I knew it would be all right, or she would not invite us. So I gladly accepted the invitation. She said a few people would be there. There were three of this Youth Congress there, a boy and two girls, or rather a young man and two young ladies, sitting up front beside the First Lady.

I think they had some other things they wished to discuss which were never reached. There were in attendance some, incidentally, that the gentleman from Wisconsin did not happen to get tab on that are absolutely unaccounted for. He did not quite get his personnel right of those who were at the White House. I believe if he had been invited, he would have been there. I hope surely he would have.

The question came up at this White House meeting about this communistic matter. I raised it myself, I think; either I or Senator LEE, of Oklahoma, was the first to raise it. They stated that out of 61 organizations among the young people, 1 was acknowledged as Communist. So Senator LEE and Senator WHEELER, who was there, and I assailed that and stated that as long as there was one communistic organization—

Mr. HOFFMAN. A point of order. Well, I will state it in the form of a request. Is it a violation of the rules to talk about Members of the other body this way?

Mr. PATRICK. No; I think not. We will talk that way. [Laughter.]

So we were there and discussed that matter as to the communistic idea. Those who spoke thought the idea of a little communism in there would ruin their whole program. That matter took up the whole evening. We got there about 9 o'clock and left at nearly 11.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Is it true that the Members who voted against the Dies committee were all there?

Mr. PATRICK. Some were and some were not. I do not know. I voted for the Dies committee.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Connecticut.

Mr. MILLER. I was just wondering if the gentleman was there as a Member of the House or as a member of the Youth Congress.

Mr. PATRICK. As an invitee of the White House and nothing else. I am a Member of the House, and I could not keep from being a Member of the House, but I did not try to represent either. I do not belong to the Youth Congress.

Mr. MILLER. That is what I was getting at.

Mr. PATRICK. There were no Republicans there, if that is what is paining you in the stomach.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. Yes; I yield.

Mr. HOFFMAN. Will the gentleman leave his remarks in the Record just as he makes them?

Mr. PATRICK. Well, I will not consult the gentleman about whether I do or not.

Mr. HOFFMAN. I know; but would the gentleman just leave them in? I should like to see the gentleman leave them in as he makes them.

Mr. PATRICK. I am pretty careful about that. I might this time.

Mr. HOFFMAN. I noticed him taking them out. The gentleman is careful.

Mr. PATRICK. Well, once, I will admit; but I will probably leave them in just as they are made this afternoon. But if I see anything in there that I think ought not to be in, if I can, I will get it out. [Laughter.]

After the last day of the youths' conference was over I did have one interesting little conversation. Some of those young folks stayed down at the hotel where I live. This will let a little light in on how they overestimate their importance in this country. However, I do think they have something, if they could get the Communists out, that is worthy of our listening to. This is one little point they brought out that night.

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I yield 3 additional minutes to the gentleman from Alabama.

Mr. DITTER. Mr. Chairman, I should like to be generous enough to yield 2 minutes so the gentleman may yield to the gentleman from Wisconsin [Mr. KEEFE] in due order.

Mr. PATRICK. Yes; I would be glad to do that.

I think sometimes there is no danger of a Congressman overestimating the importance of his job, but there is danger of a Congressman overestimating his own importance. So when I hear a Congressman get up and take the others to task and give an account of their presence, and all that, I think he is taking the wrong attitude; too important. So I have intended not even to answer that, but since it is out we will go into it.

I do think this young group, however, overestimate their own importance; and this is an example: They were standing around there, as I started to say, at the hotel where I live, and I said, "Well, you young people had the President talk to you today." One of them said, "Yes; he talked to us, but," he said, "you know his talk did not go over so hot with us today."

That is what he said about the President of the United States you know. They all seemed to chime in. If there had been just one who said that I would not have thought anything about it but they all seemed to chime in. I do not know whether that was a part of its communistic group or not. They say only one out of the 61 organizations, a comparatively small part of their organization, is communistic.

Of course, I do not believe any true American has any sympathy or can compromise with the communistic program. I do not think they will get anywhere as long as there is a taint of communism in their organization. I do not believe either House of Congress, either the upper or lower branch—whichever you consider upper or lower; I have serious doubts about this House being the lower—will have any hesitation in

refusing to go along with a program for the reason that they are behind it so long as they carry the taint of communism. But we do not want to let that feeling of anticommunism shadow our action and have the effect of disrupting an American program for putting over things that ought to be done, because somebody way across the hollow will be hollering communism. I think there is that danger. I do think there was one thing—regardless of all that, there is one cry that that group is making that is justified, and that is that business, taking up its slack in this Nation, has a tendency to take up the slack with those already employed and those that are older and is leaving a lot of young people out in the cold. I do think there ought to be some constructive legislation enacted that would, if possible, try to reach that threatening trouble.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. Yes; we took the courtesy to get the gentleman over here so that I might reply to him about anything he had to say.

Mr. KEEFE. I was not privileged to be here while the gentleman was making his remarks.

Mr. PATRICK. Oh, you missed it. [Laughter.]

Mr. KEEFE. Well, I shall have the privilege, perhaps, of reading it in the Record tomorrow.

Mr. PATRICK. Yes.

Mr. KEEFE. And I want to say to the gentleman that I am prepared, and will at the proper time, answer not only the gentleman who is on the floor, but the other gentlemen who were kind enough to talk of and concerning me the other day in reference to this youth movement.

Mr. PATRICK. We do not doubt that.

Mr. KEEFE. And I shall be glad to give the gentleman an opportunity when I make that statement to be present. In view of the statement just made—

Mr. PATRICK. Oh, I am sure, the gentleman can do it, brother, believe me.

Mr. KEEFE. Will the gentleman not elaborate a little bit, instead of being quite so vague, and tell us just what he proposes in the shape of legislation to give these young people jobs, instead of just talking about it?

Mr. PATRICK. I have no bill; I have no program. So far as I know, I am the only man in Congress without some sort of a bill of this nature.

Mr. KEEFE. Has your party any bill or program?

Mr. PATRICK. Well, my party is a big bunch of folks. About 2 to 1 of the people in America now are Democrats.

Mr. KEEFE. But have you any program?

Mr. PATRICK. So it would be hard for me to announce my program, or anybody's program, for that big group of folks. You know I am just a little pebble on a big beach, and that beach is getting bigger and bigger every day.

Mr. KEEFE. You have suggested this Congress has an obligation to do something to give these people jobs.

Mr. PATRICK. Yes.

Mr. KEEFE. We agree on that. Now, have you a suggestion, as one of the great representatives of the people here in Congress—have you a single, concrete suggestion of legislation that will give a single job?

Mr. PATRICK. No; I am simply one of the little ones in the Congress, and I am not saying, "Here is a program." I want to hear you wise boys do something about that, some of you boys with wisdom from up in the Middle West ought to shed some light on that. You have been qualifying to shed light on every other subject that has come up here.

Mr. KEEFE. At least, the gentleman will admit he has no program.

Mr. PATRICK. No program; no. The Democratic Party has a great program, but I am just here, that is all. [Laughter and applause.]

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. JENKS].

Mr. JENKS of New Hampshire. Mr. Chairman, as a comparative novice insofar as national-defense questions are concerned, I hesitate to rise in opposition to an item in the bill

under discussion which has been recommended by the Appropriations Committee, whose members are men of long and broad experience. However, this bill contains one item to which I am unalterably opposed—not only because of the expenditure it would eventually involve but because I believe there is a principle at stake. I refer to the item for the development of Guam. I believe that it is incumbent upon the Members of Congress to view any situation affecting our country in its entirety. We all know that the Navy Department is favorable to the fortification of Guam for defense purposes, but in view of the proximity of this island to the coast of Japan, I am wondering if the fortification of Guam would not be interpreted by Japan as an affront and might serve to make even more tense the atmosphere between the United States and the Island Empire. A situation is rarely so bad that it cannot be made worse, and in these times of stress and strain it seems to me that the fortification of Guam would be adding fuel to the fire.

On May 17, 1938, Congress directed the Secretary of the Navy to appoint a board to investigate and report upon the need, for purposes of national defense, of additional submarine, destroyer, mine, and naval air bases on the coasts of the United States, its Territories, and possessions. No less an authority than Rear Admiral Arthur J. Hepburn was chairman of the investigating board. On January 3, 1939, the Secretary of the Navy submitted the so-called Hepburn report to the House. Permit me to read one paragraph from that report:

On December 18, 1919, the Joint Army and Navy Board recommended that "Guam be fortified and garrisoned adequate to its defense against any force that could be brought against it," and that a first-class naval base be prepared in Apra Harbor. The Washington Treaty of 1922 put an end to those plans, but that treaty has now expired.

Last year this House rightly and properly, in my opinion, rejected this proposal for the fortification of Guam. I believe it was then the consensus of opinion that this activity would at least appear like an unwarranted affront to Japan, but aside from that surmise it was largely conceded that it would be an unjustifiable expenditure because Guam is away and beyond our natural sphere of defense. But here we are again confronted with the same proposal, as carried in this naval appropriation bill under discussion, although, I dare say, no one would hardly contend that anything has happened in the interim to clear the atmosphere between this country of ours and Japan or to make the necessity for intelligently expanding our Navy less urgent.

My colleague on the Naval Affairs Committee the gentleman from Minnesota [Mr. MAAS] contends that it would be a wonderful thing to have an air base at Guam, where scouting planes could be on guard for the protection of the United States. I am sorry to disagree with him, but I frankly admit that it is somewhat beyond me to understand why we would want or need to have either Navy or Army planes scouting for purposes of protection some 5,000 miles away from the Pacific coast line of our country.

I am for a strong and thoroughly adequate national defense. In view of world conditions, I want to see our Navy efficiently built up and properly equipped so as to be able to defend the United States, and, if need be, this entire hemisphere; but I believe if we are to have a Navy capable of doing that we will have to concentrate our efforts on building such a Navy solely for defense purposes rather than unnecessarily and unwisely scattering our forces hither and yon over the face of the globe.

I hope this proposed expenditure for the development of Guam will be eliminated from this bill.

I yield back the remainder of my time.

Mr. SCRUGHAM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose, and Mr. RAYBURN having resumed the chair as Speaker pro tempore, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 8348, the naval appropriation bill for 1941, and had come to no resolution thereon.

EQUALIZATION OF LETTER CARRIERS (H. DOC. NO. 635)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without my approval, H. R. 2001, Seventy-sixth Congress, entitled "An act for equalization of letter carriers."

I withheld my approval of bill H. R. 4285, passed by the Seventy-fifth Congress, which contained a similar provision and set forth my reasons therefor in a memorandum dated June 25, 1938, reading in part as follows:

Under existing law the annual salary rates for village delivery carriers are fixed at \$1,150 for grade 1, \$1,250 for grade 2, and \$1,350 for grade 3. This bill proposes to increase the salary rates of each grade by \$75 per year, or to \$1,225 for grade 1, \$1,325 for grade 2, and \$1,425 for grade 3. The bill also provides for the increase in the hourly pay of substitutes in said service from 50 to 55 cents. The salary rates for postal employees at post offices of the first-, second-, and third-classes were prescribed by the act approved February 28, 1925. Since that time the workweek was first reduced by law from 48 hours to 44 hours, and again further reduced to 40 hours, which in effect results in a decrease of 16 2/3 percent in service actually rendered for the same rate of pay. Until the financial situation of the Government becomes greatly improved and until the postal receipts and expenditures are brought more nearly into balance, I cannot, as a matter of sound policy, look with favor upon any proposed legislation which would provide for an increase in the salary rates of postal employees. I do not consider that there are sufficient reasons in support of this proposal to increase the salaries of village delivery carriers to justify an exception to the above-stated policy.

The bill, H. R. 2001, proposes to increase the minimum salary rate of carriers in the village delivery service from \$1,150 to \$1,200 and the maximum rate from \$1,350 to \$1,440, and the hourly rate for substitutes in that service from 50 to 60 cents an hour. This bill has been referred to the Postmaster General who advises that under the authority contained in the bill, should it become law, he proposes to fix the pay grades at \$1,200, \$1,320, and \$1,440, and that the additional annual cost of the bill would amount to about \$178,820. This would represent an increase of more than 10 percent in the annual cost of village delivery service.

My objections and observations respecting H. R. 4285, Seventy-fifth Congress, have equal application to this bill, H. R. 2001. I regret that I feel obligated to take this stand with respect to this class of employees, but I do not think that I would be justified in approving legislation that would give preferential treatment to this single group of employees.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 13, 1940.

The SPEAKER pro tempore. The objections of the President will be spread at large in the Journal.

Mr. BURCH. Mr. Speaker, I move that the bill and the President's message be referred to the Committee on the Post Office and Post Roads and ordered printed.

The motion was agreed to.

TRANSPORTATION AT GOVERNMENT EXPENSE OF CERTAIN AUTOMOBILES

The SPEAKER pro tempore also laid before the House the following message from the President of the United States which was read, and, with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the accompanying draft of proposed legislation designed to permit, where ocean transportation is necessary and subject to certain other limitations, the transportation at Government expense of personally owned automobiles by certain officers of the Foreign Service of the United States.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 13, 1940.

EXTENSION OF REMARKS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon and to include therein certain excerpts from naval authorities.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by the Postmaster General on the first day of the issue of the Washington Irving stamps.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. JACOBSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to extend my remarks and embody in them an editorial from the Birmingham Age-Herald.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MILLER. Mr. Speaker, I ask unanimous consent to extend the remarks I made today in Committee of the Whole and to include brief quotations from the Board of Army Engineers.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

NATIONAL YOUTH CONGRESS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. MARCANTONIO] is recognized for 15 minutes.

Mr. MARCANTONIO. Mr. Speaker, rather than take the time of the House, I ask unanimous consent to insert in the RECORD a radio speech that I delivered last night with regard to the solution of the American youth unemployment problem, and I will waive the time that was assigned to me.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MERRITT, indefinitely, on account of illness.

To Mr. EDMISTON, for 3 days, on account of business in his district.

To Mr. MOUTON (at the request of Mr. DeROUEN), for 10 days, on account of illness.

ADJOURNMENT

Mr. SCRUGHAM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock p. m.) the House adjourned until tomorrow, Wednesday, February 14, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Wednesday, February 14, 1940, at 10:30 a. m., for the public consideration of H. R. 8023 and H. R. 8292.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

On Wednesday, February 14, 1940, at 11 a. m., the Committee on Merchant Marine and Fisheries will hold hearings on H. R. 6983, to provide for the construction of a marine tuberculosis hospital in California.

Tuesday, February 20, 1940:

H. R. 4079, to amend sections 4353 and 4355 of the Revised Statutes of the United States.

H. R. 6751, to repeal certain laws with respect to manifests and vessel permits.

H. R. 5788, to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

H. R. 5789, to amend the present law relating to the delivery of manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master.

Friday, February 23, 1940:

H. R. 7639, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

COMMITTEE ON MILITARY AFFAIRS

There will be a meeting of the Committee on Military Affairs of the House in room 1310, New House Office Building, at 10:30 a. m., February 14, 1940, for the consideration of all bills pending before this committee relative to taxation of Tennessee Valley Authority properties.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Wednesday, February 14, 1940, at 10:30 a. m., in room 328, House Office Building, to consider H. R. 2436.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Committee on Naval Affairs on Wednesday, February 14, 1940, at 10 a. m., on H. R. 8026, to establish the composition of the United States Navy, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 14, 1940, at 10 a. m., there will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary on the bill (H. R. 8016) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto (municipal compositions). The hearing will be held in room 346, House Office Building.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings on the reapportionment of Representatives in Congress.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 6877, to protect the United States in patent-infringement suits; and S. 547, to amend section 23 of the Copyright Act.

EXECUTIVE COMMUNICATIONS, ETC.

1391. Under clause 2 of rule XXIV a letter from the Chairman, Securities and Exchange Commission, transmitting sections II and III of chapter VI of part 3 of the Commission's over-all report on the study of investment trusts and investment companies made pursuant to section 30 of the Public Utility Holding Company Act of 1935 (H. Doc. No. 279) was taken from the Speaker's table, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SCRUGHAM: Committee on Appropriations. H. R. 8438. A bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes; without amendment (Rept. No. 1587). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee on Expenditures in the Executive Departments. H. R. 8307. A bill to change the date of

transmission to Congress of the Budget of the United States in years in which a new President takes office; without amendment (Rept. No. 1588). Referred to the House Calendar.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 3765. A bill to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California," approved May 18, 1928 (45 Stat. 602); without amendment (Rept. No. 1589). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK of Arizona: Committee on Indian Affairs. H. R. 7551. A bill authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry; with amendment (Rept. No. 1590). Referred to the Committee of the Whole House on the state of the Union.

Mr. WOODRUM of Virginia: Committee on Appropriations. House Joint Resolution 456. Joint resolution making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain emergency relief appropriations acts; without amendment (Rept. No. 1591). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAVENNER:

H. R. 8439. A bill to assist public agencies and nonprofit organizations in safeguarding the health of the Nation and to promote the general welfare; to the Committee on Appropriations.

By Mr. JOHNS:

H. R. 8440. A bill authorizing an appropriation for purposes of a memorial to Jean Nicolet; to the Committee on the Library.

By Mr. ARENDS:

H. R. 8441 (by request). A bill to afford greater protection to the purchaser of patent rights; to the Committee on Patents.

By Mr. BOYKIN:

H. R. 8442 (by request). A bill to prohibit proof of acts done by an inventor in foreign countries; to the Committee on Patents.

By Mr. CAMP:

H. R. 8443 (by request). A bill to give the Commissioner of Patents power to protect inventors by establishing adequate standards of professional conduct among attorneys; to the Committee on Patents.

By Mr. KRAMER:

H. R. 8444 (by request). A bill to permit the assignee of an application for letters patent to make certain supplemental applications; to the Committee on Patents.

H. R. 8445. A bill to amend the act entitled "An act to provide additional protection for owners of patents of the United States, and for other purposes," approved June 25, 1910 (36 Stat. 851), as amended (40 Stat. 705; 35 U. S. C. 68), so as to protect the United States in certain patent infringement suits; to the Committee on Patents.

By Mr. BLOOM:

H. R. 8446. A bill to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended; to the Committee on Foreign Affairs.

By Mr. FITZPATRICK:

H. R. 8447. A bill to grant to home owners the right to extend the period for amortization of loans under section 4 (d) of the Home Owners' Loan Act of 1933, and to reduce the rate of interest on such loans to 4 percent; to the Committee on Banking and Currency.

By Mr. HORTON:

H. R. 8448. A bill to provide for the extension of certain oil and gas-prospecting permits; to the Committee on the Public Lands.

By Mr. SPARKMAN:

H. R. 8449. A bill to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army who were physically injured in line of duty while performing active duty or engaged in authorized training between the dates of February 28, 1925, and July 15, 1939, both inclusive, and for other purposes; to the Committee on Military Affairs.

By Mr. JONES of Texas:

H. R. 8450. A bill to make permanent the reduced rates of interest on Federal land bank and land bank commissioner loans; to the Committee on Agriculture.

By Mr. KEFAUVER:

H. R. 8451. A bill to authorize the construction of flood-control works on the Tennessee River at Chattanooga, Tenn., and Rossville, Ga.; to the Committee on Flood Control.

By Mr. GARTNER:

H. R. 8452. A bill to declare Frankford Creek, Pa., to be a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Maine:

H. R. 8453. A bill for the relief of the State Highway Commission of the State of Maine; to the Committee on the Judiciary.

By Mr. WOODRUM of Virginia:

H. J. Res. 456. Joint resolution making available for the fiscal year 1940 an additional amount from the special funds heretofore set up for the payment of compensation benefits authorized by certain emergency relief appropriations acts; to the Committee on Appropriations.

By Mr. CELLER:

H. J. Res. 457. Joint resolution for the transfer of the marketing laws survey to the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. VOORHIS of California:

H. J. Res. 458. Joint resolution designating the third Sunday in May of each year National Citizenship Day; to the Committee on the Judiciary.

By Mr. SHANLEY:

H. Con. Res. 47. Concurrent resolution to effect an armistice in the Finnish-Soviet hostilities; to the Committee on Foreign Affairs.

By Mr. HILL:

H. Res. 383. Resolution authorizing an investigation of the fruit industry to increase markets; to the Committee on Rules.

H. Res. 384. Resolution providing for the expenses of the select committee created by House Resolution 383; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States against discrimination of older persons in the Federal civil service; to the Committee on the Civil Service.

Also, memorial of the Legislature of the State of Alabama, memorializing the President and the Congress of the United States to enact into law Senate bill 2420, known as the Federal mine-inspection bill; to the Committee on Mines and Mining.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Kentucky:

H. R. 8454. A bill for the relief of James R. Hess; to the Committee on Military Affairs.

By Mr. BRYSON:

H. R. 8455. A bill granting a pension to Dorace Ben Whitener; to the Committee on Invalid Pensions.

By Mr. COURTNEY:

H. R. 8456. A bill for the relief of the Union Bank of McEwen, Tenn.; to the Committee on Claims.

By Mr. GORE:

H. R. 8457. A bill for the relief of James M. Duggan; to the Committee on Claims.

By Mr. GREGORY:

H. R. 8458. A bill for the relief of Martha Morrison Hale, of Hickman, Ky.; to the Committee on Claims.

By Mr. LEWIS of Colorado:

H. R. 8459. A bill for the relief of Edna S. Gardiner; to the Committee on Claims.

By Mr. MOSER:

H. R. 8460. A bill granting a pension to Amelia H. Comings; to the Committee on Invalid Pensions.

By Mr. O'NEAL:

H. R. 8461. A bill for the relief of Alice E. Shinnick; to the Committee on Claims.

By Mr. PACE:

H. R. 8462. A bill for the relief of John R. Beard; to the Committee on Military Affairs.

By Mr. REES of Kansas:

H. R. 8463. A bill granting a pension to Thomas G. Red; to the Committee on Pensions.

By Mr. REECE of Tennessee:

H. R. 8464. A bill for the relief of H. S. Hill; to the Committee on Claims.

H. R. 8465. A bill for the relief of Walter T. Blackwelder; to the Committee on Claims.

By Mr. VOORHIS of California:

H. R. 8466. A bill for the relief of William Bowen; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6473. By Mr. ANDREWS: Petition of L. A. Pender and Felix Bilger, of Buffalo, N. Y., and sundry others; to the Committee on Ways and Means.

6474. Also, resolution adopted by the Echo Society of Niagara Falls, N. Y., favoring the enactment of House Joint Resolution 412 for the relief of distressed and starving women and children of Poland; to the Committee on Foreign Affairs.

6475. By Mr. CONNERY: Petition of sundry citizens of Lawrence, Mass., protesting against American participation in Japanese aggression against China in supplying war materials, particularly airplane gasoline, to Japan; to the Committee on Foreign Affairs.

6476. Also, petition of sundry citizens of Saugus, Mass., requesting a strong move for international peace by urging the belligerents to declare a truce and to appoint delegates from each country to engage in a parley relative to possible conditions on which all sides could agree that would result in permanent peace without leaving conditions which would lead to further aggression; to the Committee on Foreign Affairs.

6477. By Mr. FLAHERTY: Petition of the Department of Agriculture, Commonwealth of Massachusetts, State House, Boston, Mass., urging support of Senate bill 2212, to provide for the development of marketing and marketing services for farm commodities; to the Committee on Agriculture.

6478. Also, petition of the Women's International League for Peace and Freedom, Massachusetts branch, Boston, Mass., opposing establishment of military training in Civilian Conservation Corps; to the Committee on Labor.

6479. Also, petition of the Metropolitan District Dental Society, Boston, Mass., urging enactment of modern dental law for the District of Columbia; to the Committee on the District of Columbia.

6480. By Mr. MARTIN J. KENNEDY: Petition of the Ohio Chamber of Commerce, Columbus, Ohio, concerning the

Logan-Walter administrative bill (H. R. 6324); to the Committee on the Judiciary.

6481. Also, petition of the Queensboro Homing Pigeon Club, affiliated with the Combine Concourse Association, of Long Island, N. Y., urging support of House bill 7813, which guarantees the protection of the homing pigeon; to the Committee on Agriculture.

6482. By Mr. McKEOUGH (by request): Petition of Priscilla B. Sayre, of Chicago, Ill., and 29 others, favoring enactment of the proposed General Welfare Act (H. R. 5620); to the Committee on Ways and Means.

6483. By Mr. SCHIFFLER: Petition of H. W. Shawhan, director, and J. W. Hesen, Jr., fish technician, Conservation Commission, of Charleston, W. Va., and the sportsmen of West Virginia, participating in the regional sportsmen's meeting, held at Morgantown, W. Va., January 31, 1940, and representing the counties of Hancock, Marshall, Monongalia, Gilmer, Preston, Ohio, Harrison, Doddridge, Brooke, Taylor, Lewis, and Marion, favoring the passage of the Mundt bill, in lieu of all other antipollution bills; to the Committee on Rivers and Harbors.

6484. By Mr. SUTPHIN: Memorial of the New Jersey Society, Sons of the American Revolution, unalterably opposing Senate bill 1650, for, in the opinion of their organization, the measure is considered un-American, confiscatory, and destructive of rights to private property and leading to general centralized control of individual wealth and industry; to the Committee on Immigration and Naturalization.

6485. By Mr. WELCH: Brief submitted by the San Francisco Chamber of Commerce, opposing House bill 7361, Seventy-sixth Congress, which proposes to take away the right of several States including California, to divide community property income for the purpose of Federal income tax; to the Committee on Ways and Means.

6486. By the SPEAKER: Petition of the Polish American Council and others (mass meeting), Chicago, Ill., petitioning consideration of their resolution with reference to Polish relief; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 14, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, our Father in heaven, in the onward march of time we are brought together for another day. O God, we pray for the needs of men. May we be planted in that divine vineyard in which Thou art the husbandman, where the fruitless branches are cut away and those that bear fruit are cleansed that they may bear more fruit; thus whatsoever we doeth shall prosper, and we shall rejoice that there is no waste energy, no contagious doubt, and no annoying weariness. O river of God, flow this way, that its crystal tides may enrich the soil of our souls, bearing fruit in every good work. O Lord of life and light, we humbly pray Thee to let the golden morning break over this troubled world. May all peoples soon see the vision that transfigures sorrow, lightens the darkness, and immortalizes hope. Flowing from our hearts is a prayer for our beloved Speaker. In the name and for His glory, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 8237. An act to amend the District of Columbia Revenue Act of 1939.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3069. An act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7922) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. ADAMS, Mr. McCARRAN, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The SPEAKER pro tempore laid before the House the following letter from the Clerk of the House:

The SPEAKER,

House of Representatives, Washington, D. C.

DEAR SIR: The certificate of election, in due form of law, of Hon. M. MICHAEL EDELSTEIN as a Representative-elect to the Seventy-sixth Congress, from the Fourteenth Congressional District of New York, to fill the vacancy caused by the death of Hon. William I. Sirovich, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,

Clerk of the House of Representatives.

SWEARING IN OF MEMBER

Mr. M. MICHAEL EDELSTEIN presented himself at the bar of the House and took the oath of office.

EMPLOYEES' COMPENSATION FUND, EMERGENCY RELIEF

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 456.

The Clerk read as follows:

Resolved, etc., That the paragraph of the Independent Offices Appropriation Act, 1940, under the heading "Employees' compensation fund, emergency relief," is hereby amended by striking out the sum "\$3,200,000" and inserting in lieu thereof the sum "\$4,700,000."

Mr. TABER. Mr. Speaker, reserving the right to object, as I understand it, the amounts required to take care of and pay the compensation of W. P. A. employees who have been injured in line of duty has been exhausted, that funds available to meet these payments are gone.

Mr. WOODRUM of Virginia. That is correct.

I may say that when we started making relief appropriations the sum of \$25,000,000 was set aside and earmarked in the Treasury out of relief funds for the purpose of being administered by the Employees' Compensation Commission to pay claims of W. P. A. workers who were injured in line of duty, they being held under the law to be employees of the Government. From time to time Congress has authorized the use of a portion of this fund. During the current year we authorized the use of \$3,200,000. Subsequent to the time of that authorization relief expenditures were increased. The fund, therefore, has run out. This resolution authorizes an additional \$1,500,000 to be allocated from the fund heretofore set aside. It does not require the appropriation of any money, it is merely an authorization.

Mr. TABER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

MAUDE MAY MACARTHUR

Mr. WARREN. Mr. Speaker, from the Committee on Accounts, I present a privileged resolution (H. Res. 382, Rept. No. 1592) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Maude May MacArthur, sister of James Bruce MacArthur, late an employee of the House, an amount equal to 6 months' salary compensation, and an additional amount not to exceed \$250, to defray funeral expenses of the said James Bruce MacArthur.